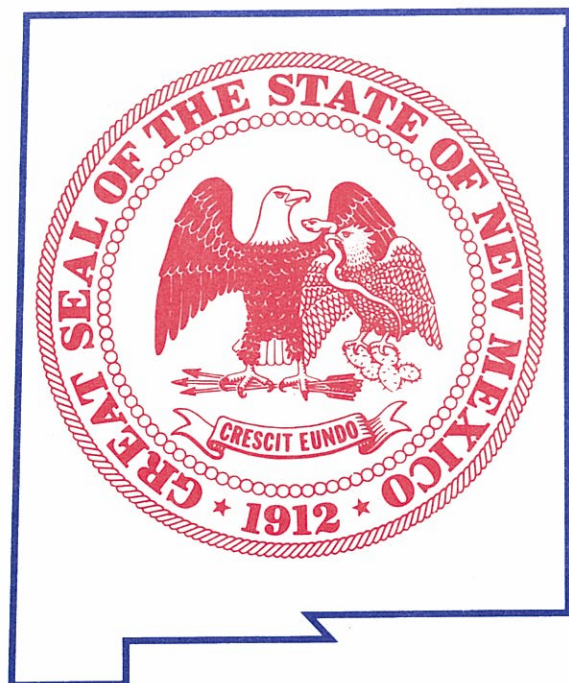


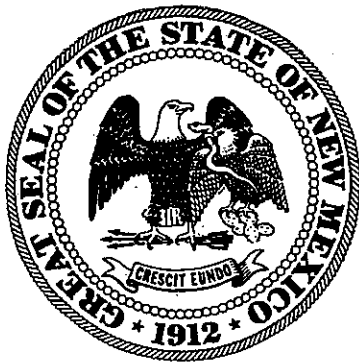
S T A T E O F N E W M E X I C O



ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED
June 30, 1998





INTRODUCTORY SECTION

This page intentionally left blank.

STATE OF NEW MEXICO
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1998

Table of Contents

INTRODUCTORY SECTION

	<u>PAGE</u>
Table of Contents	i
Letter of Transmittal	iii
Principal State Officials	iv
Organization Chart	v

FINANCIAL SECTION

GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Statements - Overview	EXHIBIT	
Combined Balance Sheet - All Fund Types and Account Groups	A	3
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds	B	7
Combined Statement of Revenues, Expenses and Changes in Fund Equity - All Proprietary Fund Types and Similar Trust Funds	C	11
Combined Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual	D	13
Combined Statement of Cash Flows - All Proprietary and Nonexpendable Trust Funds	E	14
Combined Statement of Changes in Fund Balances - University Funds	F	15
Combined Statement of Current Funds Revenues, Expenditures, and Other Changes - University Funds	G	18
Notes to the Financial Statements		23

COMBINING FINANCIAL STATEMENTS AND SCHEDULES

	SCHEDULE	
Special Revenue Funds --		
Combining Balance Sheet	1	43
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	2	45
Combining Statement of Revenues and Expenditures - Budget and Actual	3	47
Debt Service Funds --		
Combining Balance Sheet	4	53
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	5	55
Capital Project Funds --		
Combining Balance Sheet	6	59
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	7	61
Enterprise Funds --		
Combining Balance Sheet	8	65
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	9	67

STATE OF NEW MEXICO
ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1998

Table of Contents (Continued)

	<u>SCHEDULE</u>	<u>PAGE</u>
Combining Statement of Cash Flows	10	69
Internal Service Funds--		
Combining Balance Sheet	11	73
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	12	75
Combining Statement of Cash Flows	13	77
Trust and Agency Funds --		
Combining Balance Sheet	14	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Expendable Trust Funds	15	89
Combining Statement of Revenues, Expenses, and Changes in Fund Balances - Nonexpendable Trust Funds	16	91
Combining Statement of Cash Flows - Nonexpendable Trust Funds	17	93
Combining Statement of Revenues, Expenses, and Changes in Fund Balances - Pension Trust Funds	18	95
Combining Statements of Changes in Assets and Liabilities - Agency Funds	19	97
General Fixed Assets Account Group --		
Schedule of General Fixed Assets - By Source	20	102
Schedule of General Fixed Assets - By Function	21	103
General Long-Term Obligations Account Group --		
Statement of Changes in General Long-Term Bonded Debt	22	107
Schedule of Debt Service Requirements	23	109
Component Units --		
Combining Balance Sheet - University Funds	24	113
Combining Statement of Changes in Fund Balances - University Funds	25	119
Combining Statement of Current Funds Revenues, Expenditures and Other Changes - Unrestricted	26	129
Combining Statement of Current Funds Revenues, Expenditures, and Other Changes - Restricted	27	133
 STATISTICAL SECTION		
Schedule of Revenues by Source and Expenditures - By Function	28	139
Schedule of Revenues - State General Fund	29	141
Analysis of Funding Progress:		
Educational Retirement System	30	144
Public Employees Retirement System	31	145
Judicial Retirement System	32	146
Magistrate Retirement System	33	147
Volunteer Retirement System	34	148
Revenues and Expenses by Type --		
Educational Retirement System	35	149
Public Employees Retirement System	36	150
Judicial Retirement System	37	151
Magistrate Retirement System	38	152
Volunteer Retirement System	39	153



STATE OF NEW MEXICO
DEPARTMENT OF FINANCE AND ADMINISTRATION
FINANCIAL CONTROL DIVISION/STATE CONTROLLER'S OFFICE
Bataan Memorial Building, Suite 166 • Santa Fe, New Mexico 87503
(505) 827-3681

GARY E. JOHNSON
GOVERNOR

DAVID W. HARRIS
SECRETARY

ANTHONY I. ARMijo
DIRECTOR/STATE CONTROLLER

June 14, 1998

To the Citizens, Governor,
and Members of the Legislature
of the State of New Mexico

We are pleased to present the 1998 Annual Financial Report of the State of New Mexico. This report represents the summarized financial position and results of operations of State departments, agencies, and universities.

This report includes all funds and account groups of the State of New Mexico except for the community college and special school funds. The funds represent the various departments, agencies, and other organization units governed by the State Legislature and/or the constitutional officers of the State of New Mexico.

The State provides a variety of services: a judicial system, educational systems, health and human assistance, highway maintenance and construction, law enforcement, public safety programs, natural resource management, and economic development. The cost of those services are presented in this report at various levels of summary. In addition to general government activities, this report includes the universities as component unit entities that are financially accountable to the State and whose exclusion would cause this report to be misleading or incomplete.

We hope this report provides data that is useful in evaluating the financial activity of the State of New Mexico.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "David W. Harris".

David W. Harris
Cabinet Secretary

A handwritten signature in dark ink, appearing to read "Anthony I. Armijo".

Anthony I. Armijo
Director/State Controller

State of New Mexico
Selected State Officials

Executive _____

Gary Johnson, Governor • **Walter D. Bradley**, Lieutenant Governor • **Stephanie Gonzales**, Secretary of State • **Tom Udall**, Attorney General • **Robert Vigil**, State Auditor • **Ray Powell**, Commissioner of Public Lands • **Michael Montoya**, State Treasurer • **Eric Serna**, **Jerome Block**, and **Gloria Tristani**, State Corporation Commissioners

Judicial _____

Supreme Court: **Joseph F. Baca**, **Gene Franchini**, **Pamela Minzner**, **Patricio Serna**, **Dan A. McKinnon III**, Justices

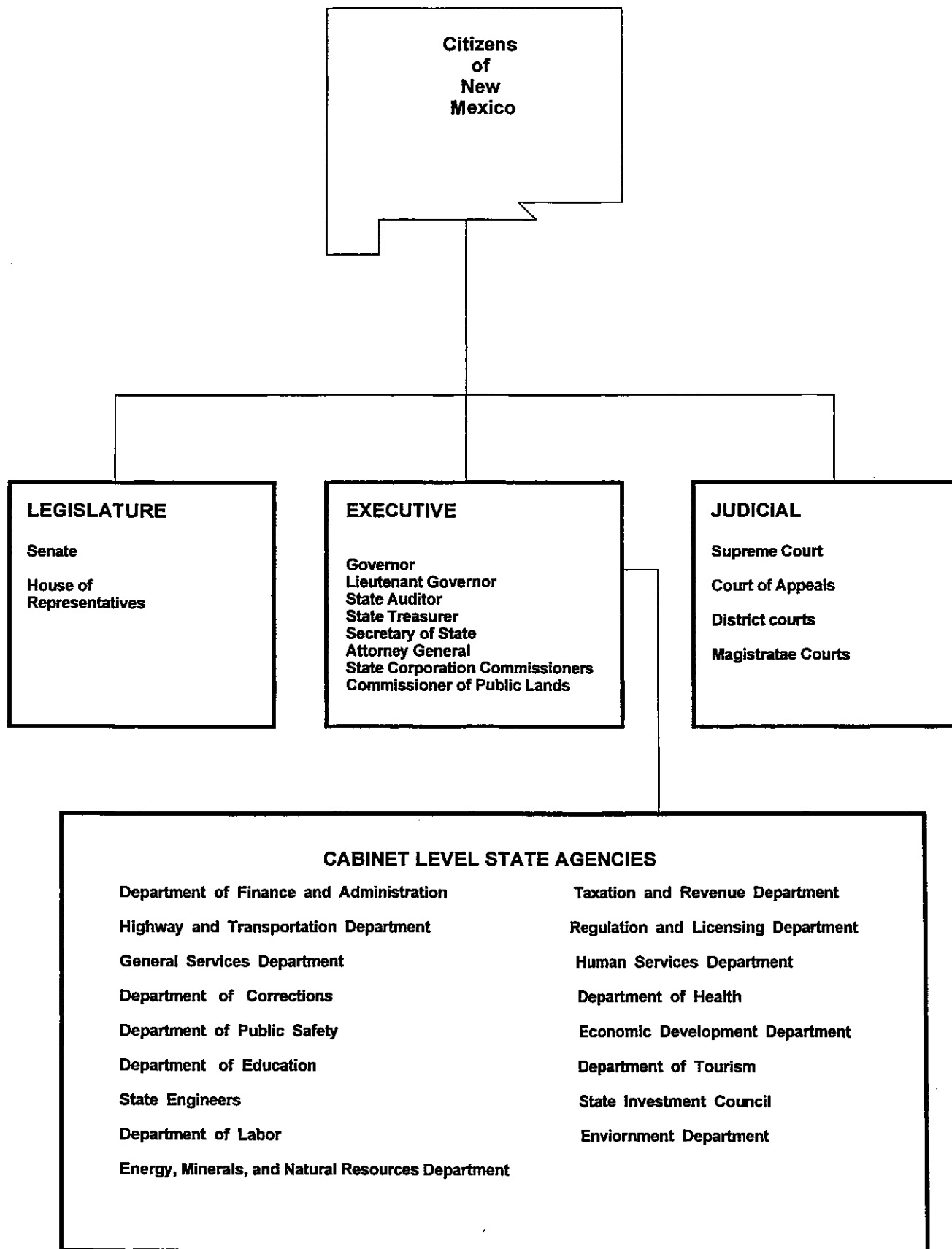
Court of Appeals: **Joseph Alarid**, **Rudy Apodaca**, **Tom Donnelly**, **Harris Hartz**, **Christina Armijo**, **Lynn Pickard**, **Benny Flores**, **Richard Bosson**, **Michael Bustamante**, **James J. Wechsler**, Judges

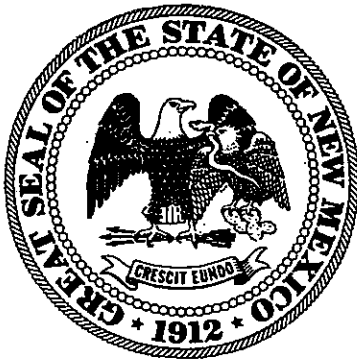
Legislative _____

Senate: **Manny M. Aragon**, President Pro-Tempore • **Timothy Z. Jennings**, Majority Leader • **Raymond L. Kysar**, Minority Leader • **Mary Jane Garcia**, Majority Whip • **L. Skip Vernon**, Minority Whip

House of Representatives: **Raymond G. Sanchez**, Speaker of the House • **Michael Olguin**, Majority Leader • **Kip Nicely**, Minority leader • **Ben Lujan**, Majority Whip • **Ted Hobbs**, Minority Whip

**STATE OF NEW MEXICO
ORGANIZATION CHART**





**FINANCIAL
SECTION**

General Purpose Financial Statements

STATE OF NEW MEXICO

COMBINED BALANCE SHEET

ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1998

(Amounts in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash and cash equivalents	\$ 495,068	\$ 399,528	\$ 119,572	\$ 26,982
Receivables, net of allowance for uncollectible	203,448	65,485	2,186	1,579
Due from other agencies	291,334	21,200	22,577	7,140
Due from other funds	6,429	64,737	331	12,708
Due from other governmental entities	29,461	19,262	-	856
Inventories	8,319	13,161	-	-
Deferred charges and other assets	1,872	8,555	-	-
Investments, at fair value (note 2)	-	-	-	-
Investments, at cost (note 2)	-	-	-	-
Investments held by others	-	-	-	-
Fixed assets, net of depreciation	12,372	-	-	-
Amount available in debt service fund	-	-	-	-
Amount to be provided for bond retirement	-	-	-	-
Amounts to be provided for other long-term obligations	-	-	-	-
TOTAL ASSETS	\$ 1,048,303	\$ 591,928	\$ 144,666	\$ 49,265
LIABILITIES, EQUITY, AND OTHER CREDITS				
Liabilities:				
Payables	\$ 271,628	\$ 69,912	\$ 1,806	\$ 2,974
Accrued liabilities	31,040	5,518	-	4
Due to other agencies	64,416	3,987	-	2,159
Due to other funds	25,509	58,391	8,426	736
Due to other governmental entities	6,476	13,029	-	-
Advances from others	781	-	-	-
Funds held for others	1,958	-	-	-
Other obligations	837	2,797	-	-
Undistributed income	-	-	-	-
Investments held for others	-	-	-	-
Reserved for losses and loss adjustments	140,493	-	-	-
Unearned premiums and due to carrier	-	-	-	-
Deferred revenue	52,422	46,224	-	13,289
Available for appropriations	-	-	-	-
Bonds payable	-	-	-	-
Loaned equipment	-	-	-	-
Total Liabilities	595,560	199,858	10,232	19,162

The notes to the financial statements are an integral part of this statement.

EXHIBIT A

Proprietary	Fund Types	Fiduciary Fund Types	Account Groups			Totals	
			General Fixed Assets	General Long-Term Debt	University Funds	(Memorandum Only)	
						1998	1997
Enterprise	Internal Service	Trust and Agency					
\$ 3,718	\$ 115,990	\$ 1,277,617	\$ -	\$ -	\$ 54,626	\$ 2,493,101	\$ 2,635,993
1,518	15,047	960,519	-	-	214,068	1,463,850	1,215,781
81	1,469	46,951	-	-	-	390,752	550,451
198	204	37,653	-	-	72,558	194,818	134,499
-	-	-	-	-	-	49,579	26,879
1,776	431	-	-	-	18,272	41,959	42,499
139	142,206	800,149	-	-	15,646	968,567	169,771
-	-	24,144,803	-	-	388,372	24,533,175	10,943,798
-	-	-	-	-	-	-	8,455,462
-	98,757	56,087	-	-	223,789	378,633	296,564
21,746	24,725	-	1,194,740	-	1,656,615	2,910,198	2,800,064
-	-	-	-	127,044	-	127,044	177,758
-	-	-	-	573,384	-	573,384	557,840
-	-	-	-	60,491	-	60,491	64,942
<u>\$ 29,176</u>	<u>\$ 398,829</u>	<u>\$ 27,323,779</u>	<u>\$ 1,194,740</u>	<u>\$ 760,919</u>	<u>\$ 2,643,946</u>	<u>\$ 34,185,551</u>	<u>\$ 28,072,301</u>
\$ 3,645	\$ 131,154	\$ 1,136,389	\$ -	\$ -	\$ 80,797	\$ 1,698,305	\$ 2,079,930
318	800	186	-	-	-	37,866	34,339
-	-	204,960	-	-	-	275,522	397,342
132	3,280	307,933	-	-	74,496	478,903	513,040
-	1,544	208,081	-	-	-	229,130	215,735
-	-	389	-	-	-	1,170	776,730
-	-	670,179	-	-	36,730	708,867	646,740
244	907	4,442	-	60,491	52,642	122,360	129,467
-	-	-	-	-	-	-	41,847
-	-	-	-	-	-	-	166,811
-	42,410	-	-	-	-	182,903	175,811
1,546	1,633	-	-	-	-	3,179	4,647
1,279	-	-	-	-	35,489	148,703	128,904
-	-	6,169	-	-	-	6,169	5,062
2,591	4,800	91,941	-	700,428	205,489	1,005,249	1,030,544
-	-	-	-	-	18,988	18,988	8,627
<u>9,755</u>	<u>186,528</u>	<u>2,630,669</u>	<u>-</u>	<u>760,919</u>	<u>504,631</u>	<u>4,917,314</u>	<u>6,355,576</u>

STATE OF NEW MEXICO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
June 30, 1998
(Amounts in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Equity and Other Credits:				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings	-	-	-	-
Net assets held in trust				
for pension benefits (Note 3)	-	-	-	-
Net assets held in trust for pool participants	-	-	-	-
Fund Balances:				
Unrestricted - Undesignated	-	-	-	-
Restricted - General	-	-	-	-
Restricted - Other	-	-	-	-
Reserved for encumbrances	181,761	447,647	-	25,521
Reserved for special projects	2,305	88,236	-	8,650
Reserved for unemployment benefits	-	-	-	-
Reserved for inventories and prepaid items	7,938	13,221	-	-
Reserved for subsequent years' expenditures	30,548	50,728	-	-
Unreserved - designate for arbitrage rebates (note 6)	-	-	7,390	-
Reserved for beneficiaries	-	-	-	-
Unreserved - Designated for capital projects	-	-	-	(4,068)
Unreserved - Designated for debt service	-	-	127,044	-
Unreserved - Designated for highway construction	-	(232,844)	-	-
Unreserved - Undesignated	230,191	25,082	-	-
Total Equity and Other Credits	452,743	392,070	134,434	30,103
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 1,048,303	\$ 591,928	\$ 144,666	\$ 49,265

The notes to the financial statements are an integral part of this statement.

EXHIBIT A

Proprietary	Fund Types	Fiduciary	Account Groups			Totals	
		Fund Types	General			(Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	Long-Term Debt	University Funds	1998	1997
-	-	-	1,194,740	-	1,420,100	2,614,840	2,511,291
6,526	21,021	-	-	-	-	27,547	27,950
12,895	191,280	-	-	-	-	204,175	179,555
-	-	12,512,893	-	-	-	12,512,893	10,486,499
-	-	1,764,041	-	-	-	1,764,041	-
-	-	-	-	-	254,200	254,200	240,336
-	-	-	-	-	243,237	243,237	218,301
-	-	-	-	-	221,778	221,778	185,332
-	-	4,775	-	-	-	659,704	576,150
-	-	178,261	-	-	-	277,452	256,852
-	-	472,428	-	-	-	472,428	425,051
-	-	-	-	-	-	21,159	20,581
-	-	-	-	-	-	81,276	82,615
-	-	-	-	-	-	7,390	5,830
-	-	9,760,712	-	-	-	9,760,712	6,343,448
-	-	-	-	-	-	(4,068)	5,614
-	-	-	-	-	-	127,044	177,758
-	-	-	-	-	-	(232,844)	(97,509)
-	-	-	-	-	-	255,273	71,071
19,421	212,301	24,693,110	1,194,740	-	2,139,315	29,268,237	21,716,725
\$ 29,176	\$ 398,829	\$ 27,323,779	\$ 1,194,740	\$ 760,919	\$ 2,643,946	\$ 34,185,551	\$ 28,072,301

STATE OF NEW MEXICO

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
REVENUES:				
Taxes:				
General and selective sales	\$ 1,337,426	\$ -	\$ -	\$ 2,529
Personal income	788,539	-	-	-
Corporate income	180,030	-	-	-
Estate	12,067	-	-	-
Fiduciary	8,664	-	-	-
User and fuel	929	320,420	-	-
Severance and other	183,941	-	-	-
Licenses, fees, and permits	34,538	30,909	-	-
Interest and other investment income	411,689	16,162	10,634	307
Rents and royalties	245,041	488	-	-
Federal funds	1,422,393	202,931	102	1,831
U.S. Dept of Transportation	-	168,570	-	-
U.S. Department of Energy	-	16,602	-	-
Other	153,643	41,859	2,353	20,577
Charges for services	56,214	11,897	-	-
State General Fund Appropriation	-	-	-	2,261
Total Revenues	<u>4,835,114</u>	<u>809,838</u>	<u>13,089</u>	<u>27,505</u>
EXPENDITURES:				
Current:				
Legislative	8,343	-	-	-
Judicial	92,401	16,574	-	-
General control	132,734	51,842	-	648
Regulation, licensing and economic development	38,774	11,297	-	-
Culture, recreation and natural resources	102,787	11,030	-	66
Health and human services	2,016,230	45,472	-	-
Public safety	214,024	4,713	-	14
Transportation and Highways	-	560,969	-	-
Education	46,833	1,587,133	-	200
Higher education	483,249	-	-	-
Public school support	1,368,675	-	-	-
Capital outlay	-	-	-	49,243
Debt service:				
Bond principal retirement	-	-	202,981	-
Bond interest and fiscal charges	-	-	32,930	-
Other	21,979	-	148	-
Total Expenditures	<u>4,526,029</u>	<u>2,289,030</u>	<u>236,059</u>	<u>50,171</u>

The notes to the financial statements are an integral part of this statement.

Fiduciary Fund Types	Totals	
	(Memorandum Only)	
	1998	1997
Expendable Trust		
\$ -	\$ 1,339,955	\$ 1,282,402
-	788,539	739,367
-	180,030	170,746
-	12,067	17,857
-	8,664	4,986
-	321,349	303,422
118,048	301,989	288,059
-	65,447	61,142
36,992	475,784	444,732
-	245,529	205,646
-	1,627,257	1,564,825
-	168,570	157,928
-	16,602	5,264
15,531	233,963	222,834
70,828	138,939	174,415
-	2,261	9,967
241,399	5,926,945	5,653,592
-	8,343	14,472
-	108,975	104,803
78,743	263,967	264,604
7,355	57,426	54,108
-	113,883	114,766
87,425	2,149,127	2,166,246
-	218,751	218,390
-	560,969	427,310
-	1,634,166	1,549,267
-	483,249	479,334
-	1,368,675	1,261,593
-	49,243	52,101
-	202,981	83,232
-	32,930	29,342
-	22,127	13,451
173,523	7,274,812	6,833,019

STATE OF NEW MEXICO

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS (CONTINUED)

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Excess (deficiency) of revenues over expenditures	309,085	(1,479,192)	(222,970)	(22,666)
OTHER FINANCING SOURCES (USES):				
Proceeds from bonds	-	27,462	23,894	10,454
Operating transfers in	29,243	29,279	222,988	457
Operating transfers (out)	(4,113)	(212,269)	(73,066)	(1,375)
Other sources	98,113	1,582,592	-	7,578
Other uses	(200,911)	(18,875)	-	(73)
Increase (Decrease) in fair value of investments	-	5,503	-	-
Net Other Financing Sources (Uses)	(77,668)	1,413,692	173,816	17,041
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	231,417	(65,500)	(49,154)	(5,625)
Fund balances at the beginning of the year, as previously reported	228,794	457,036	183,588	64,780
Prior period adjustments (note 7)	(7,468)	534	-	(29,052)
Fund balances at the beginning of the year, restated	221,326	457,570	183,588	35,728
Fund balances at the end of the year	\$ 452,743	\$ 392,070	\$ 134,434	\$ 30,103

The notes to the financial statements are an integral part of this statement.

Fiduciary Fund Types	Totals	
	(Memorandum Only)	
Expendable Trust	1998	1997
67,876	(1,347,867)	(1,179,427)
-	61,810	249,781
164	282,131	342,137
(16,860)	(307,683)	(263,337)
-	1,688,283	1,498,871
-	(219,859)	(300,889)
-	5,503	(1,132)
(16,696)	1,510,185	1,525,431
51,180	162,318	346,004
476,491	1,410,689	1,040,265
72	(35,914)	24,420
476,563	1,374,775	1,064,685
\$ 527,743	\$ 1,537,093	\$ 1,410,689

STATE OF NEW MEXICO

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY

ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	Proprietary Fund Types	
	Enterprise	Internal Service
OPERATING REVENUES:		
Licenses, fees and permits	\$ 10,929	\$ -
Charges for services and sales income	10,760	210,711
Employee contributions	-	10,748
Employer contributions	-	21,496
Retiree contributions	-	24,159
Interest and other investment income	76	14,904
Other operating revenues	2,464	7,654
Total Operating Revenues	24,229	289,672
OPERATING EXPENSES:		
General and administrative	22,046	120,942
Benefits, claims and premiums	-	91,434
Refunds	-	-
Other operating expenses	-	-
Distribution of income	-	-
Losses	-	76,031
Total Operating Expenses	22,046	288,407
Operating Income (Loss)	2,183	1,265
NONOPERATING REVENUES (EXPENSES) AND TRANSFERS:		
Nonoperating revenues	263	7,142
Nonoperating expenses and transfers	(70)	(3,517)
Proceeds from sale of bonds	-	-
Net Increase (Decrease) in fair value of Investments	-	17,697
Net Nonoperating Revenues (Expenses) and Transfers	193	21,322
Net Income (Loss)	2,376	22,587
Retained earnings/Fund balances at the beginning of the year, as previously reported	10,862	168,693
Prior period adjustments (note 7)	(343)	-
Retained earnings/Fund balances at the beginning of the year, restated	10,519	168,693
Retained earnings/Fund balances at the end of the year	\$ 12,895	\$ 191,280

The notes to the financial statements are an integral part of this statement.

EXHIBIT C

Fiduciary Fund Types		Totals	
Nonexpendable	Pension	(Memorandum Only)	
Trust	Trust	1998	1997
\$ -	\$ -	\$ 10,929	\$ 9,507
-	-	221,471	228,659
-	236,702	247,450	235,239
-	305,555	327,051	315,686
-	-	24,159	21,446
401,801	1,111,867	1,528,648	1,720,235
117	4,190	14,425	19,529
401,918	1,658,314	2,374,133	2,550,301
566	15,425	158,979	139,660
-	470,190	561,624	497,159
-	53,270	53,270	46,170
-	-	-	-
376,673	-	376,673	383,634
-	-	76,031	79,026
377,239	538,885	1,226,577	1,145,649
24,679	1,119,429	1,147,556	1,404,652
7,512	4,236	19,153	31,558
201,741	-	198,154	289,389
-	-	-	-
1,302,022	902,729	2,222,448	1,290,825
1,511,275	906,965	2,439,755	1,611,772
1,535,954	2,026,394	3,587,311	3,016,424
6,456,772	10,486,499	17,122,826	14,061,696
1,895,707	-	1,895,364	44,706
8,352,479	10,486,499	19,018,190	14,106,402
\$ 9,888,433	\$ 12,512,893	\$ 22,605,501	\$ 17,122,826

STATE OF NEW MEXICO

COMBINED STATEMENT OF REVENUES AND EXPENDITURES - BUDGET(NON-GAAP)

EXHIBIT D

AND ACTUAL

GENERAL AND SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 1998

(Amount in Thousands)

	General Fund			Special Revenue		
	Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance
REVENUES:						
State general fund	\$ 1,116,994	\$ 1,120,289	\$ 3,295	\$ 1,474,078	\$ 1,473,014	\$ (1,064)
Taxes	430	626	196	303,806	319,299	15,493
Charges for services	88,790	95,655	6,865	10,502	11,222	720
Federal funds	1,558,715	1,348,467	(210,248)	519,574	381,832	(137,742)
Interest on investments	1,967	4,635	2,668	12,018	14,969	2,951
Licenses, fees, and permits	16,474	11,907	(4,567)	33,139	32,076	(1,063)
Interest and penalties	31	39	8	219	287	68
Other state funds	77,302	76,422	(880)	43,421	32,337	(11,084)
Other financing sources	64,350	65,811	1,461	75,436	75,745	309
Total Revenues	2,925,053	2,723,851	(201,202)	2,472,193	2,340,781	(131,412)
Cash Balance Budgeted	15,643	15,643	-	173,451	173,443	(8)
Total Revenues and Cash Balance Budgeted	2,940,696	2,739,494	(201,202)	2,645,644	2,514,224	(131,420)
EXPENDITURES:						
General Government:						
Legislature	9,859	8,395	1,464	-	-	-
Judicial	91,924	90,630	1,294	21,253	18,529	2,724
General control	139,828	133,818	6,010	139,969	141,003	(1,034)
Regulation, licensing and economic development	39,751	38,281	1,470	26,078	17,795	8,283
Culture, recreation, and natural resources	116,642	109,378	7,264	20,487	17,452	3,035
Health and human services	2,257,208	2,064,065	193,143	77,058	62,933	14,125
Public safety	232,866	219,062	13,804	5,751	5,093	658
Transportation and Highways	-	-	-	674,162	660,002	14,160
Education	52,618	48,366	4,252	1,680,886	1,559,009	121,877
Higher education	-	-	-	-	-	-
Public school support	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Bond principal retirement	-	-	-	-	-	-
Bond interest and fiscal charges	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Expenditures	2,940,696	2,711,995	228,701	2,645,644	2,481,816	163,828
Excess(deficiency) of Revenues and Cash Balance						
Budgeted over Expenditure	\$ -	\$ 27,499	\$ 27,499	\$ -	\$ 32,408	\$ 32,408
The notes to the financial statements are an integral part of this statement.						

STATE OF NEW MEXICO

COMBINED STATEMENT OF CASH FLOWS

EXHIBIT E

ALL PROPRIETARY AND NONEXPENDABLE TRUST FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	Proprietary Fund Types		Fiduciary Fund Types	June 30, 1998
	Enterprise	Internal Service	Nonexpendable Trust Funds	
Cash Flows from Operating Activities:				
Operating income (loss)	\$ 2,183	\$ 18,962	\$ 4,891	\$ 26,036
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Net gain on sale of securities	-	-	-	-
Depreciation and amortization	1,195	4,971	-	6,166
Miscellaneous revenues (expenses)	26	3,140	245	3,411
(Increase) Decrease in Assets:				
Receivables	41	(4,186)	231	(3,914)
Inventories	(193)	(4)	-	(197)
Due from other funds and agencies	(40)	89	-	49
Prepaid items	(39)	15	-	(24)
Deferred charges and other assets	-	(35)	-	(35)
Increase (Decrease) in Liabilities:				
Payables and accruals	(768)	29,633	15	28,880
Due to other funds and agencies	87	(318)	116	(115)
Deferred revenues	(792)	(1,595)	-	(2,387)
Advance from other funds	25	-	-	25
Compensated absences	(15)	(1,040)	-	(1,055)
Net cash provided by (used in) operating activities	<u>1,710</u>	<u>49,632</u>	<u>5,498</u>	<u>56,840</u>
Cash Flows from Noncapital Activities:				
Purchase/insurance of loans and repayment of debt	-	(865)	-	(865)
Payments received on loans receivable	-	30	-	30
Contributions and intergovernmental revenues	-	9,042	209,295	218,337
Operating transfers in	182	10,268	13,764	24,214
Operating transfers out	(70)	(6,372)	(380,268)	(386,710)
Increase in contributed capital	<u>8</u>	<u>-</u>	<u>-</u>	<u>8</u>
Net cash provided by (used in) noncapital financing activities	<u>120</u>	<u>12,103</u>	<u>(157,209)</u>	<u>(144,986)</u>
Cash Flows from Capital and Related Financing Activities:				
Purchase of fixed assets and other	(333)	(16,390)	62	(16,661)
Proceeds from sale of fixed assets and bonds	248	518	-	766
Principal and interest paid on bonds, notes and leases	(1,463)	-	(1,306)	(2,769)
Net cash provided by (used in) capital and related financing activities	<u>(1,548)</u>	<u>(15,872)</u>	<u>(1,244)</u>	<u>(18,664)</u>
Cash Flows from Investing Activities:				
Proceeds from sale of investments	-	-	11,270,209	11,270,209
Purchase of investments	-	-	(11,600,232)	(11,600,232)
Investments income	<u>67</u>	<u>(19,186)</u>	<u>407,535</u>	<u>388,416</u>
Net cash provided by (used in) investing activities	<u>67</u>	<u>(19,186)</u>	<u>77,512</u>	<u>58,393</u>
Increase (decrease) in cash and cash equivalents	349	26,677	(75,443)	(48,417)
Cash and cash equivalents at the beginning of the year	<u>3,369</u>	<u>89,313</u>	<u>218,887</u>	<u>311,569</u>
Cash and cash equivalent at the end of the year	<u>\$ 3,718</u>	<u>\$ 115,990</u>	<u>\$ 143,444</u>	<u>\$ 263,152</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
COMBINED STATEMENT OF CHANGES IN FUND BALANCES
UNIVERSITY FUNDS
For the Fiscal Year Ended June 30, 1998
(Amount in Thousands)

	Current Funds		Student
	Unrestricted	Restricted	Loan Funds
REVENUES AND OTHER ADDITIONS:			
Current funds revenues	\$ 965,671	\$ 180,824	\$ -
Student fees	3,224	-	-
New Mexico State Appropriations	-	-	-
Government grants and contracts:			
Federal	87	111,030	860
State of New Mexico	231	11,871	-
Private gifts, grants and contracts	3	35,205	1
Investment income	1,263	208	835
Land & Permanent Fund income	-	922	-
Expended for plant facilities	-	-	-
Retirement of indebtedness	-	-	-
Issuance of university bonds	-	-	-
Other additions	5,307	25,899	1,924
Federal & Local sources	-	6,498	-
Total revenues & other additions	<u>975,786</u>	<u>372,457</u>	<u>3,620</u>
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and general expenditures	894,296	331,433	-
Auxiliary enterprises expenditures	29,258	256	-
Indirect cost recovered	-	38,630	-
Loan cancellations and write-offs	-	-	1,899
Administration costs	-	-	119
Expended for plant facilities	-	-	-
Additional indebtedness incurred	-	-	-
Losses on investments	-	-	-
Debt service:	-	-	-
Principal	-	-	-
Interest	-	-	-
Plant and equipment write-offs and disposals	-	-	-
Other deductions	13,956	1,611	116
Total expenditures and other deductions	<u>937,510</u>	<u>371,930</u>	<u>2,134</u>
TRANSFERS FROM(TO) OTHER FUNDS			
AND OTHER ADDITIONS(DEDUCTIONS):			
Mandatory transfers	(6,217)	51	292
Nonmandatory transfers	(31,796)	1,312	11
Fund addition due to endowments	-	1,591	-
Other additions (deductions)	143	9	14
Total Transfers and Other Additions			
(deductions)	<u>(37,870)</u>	<u>2,963</u>	<u>317</u>
Net increase (decrease) for the year	406	3,490	1,803
Fund balances at beginning of year	160,144	14,280	39,088
Fund Balances at end of year	<u>\$ 160,550</u>	<u>\$ 17,770</u>	<u>\$ 40,891</u>

The notes to financial statements are an integral part of this statement.

Endowment and Similar Funds	Plant Funds			
	Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant
\$	\$	\$	\$	\$
-	-	-	553	-
-	58	-	4,369	-
-	18,977	-	-	-
-	2,298	-	-	-
-	38	-	-	-
5,105	4,158	-	56	25
17,406	4,156	556	1,274	-
20,821	-	-	-	-
-	-	-	-	74,940
-	303	-	2,998	6,077
-	-	-	6	-
51	4,149	5,138	3,183	-
-	2,963	-	656	2,798
43,383	37,100	5,694	13,095	83,840
24	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
16	-	-	112	-
-	61,060	5,334	-	544
-	-	-	-	480
-	-	-	-	-
-	-	-	10,752	-
-	-	-	13,053	-
-	-	-	-	7,940
129	-	-	189	471
169	61,060	5,334	24,106	9,435
-	332	497	5,047	-
(263)	18,515	10,218	3,116	-
-	-	-	-	-
11,172	-	-	-	-
10,909	18,847	10,715	8,163	-
54,123	(5,113)	11,075	(2,848)	74,405
269,519	53,768	27,836	14,384	1,345,695
\$ 323,642	\$ 48,655	\$ 38,911	\$ 11,536	\$ 1,420,100

STATE OF NEW MEXICO

COMBINED STATEMENT OF CHANGES IN FUND BALANCES

EXHIBIT F

UNIVERSITY FUNDS

For the Fiscal Year Ended June 30, 1998

(Amount in Thousands)

	Total University June 30, 1998	Total Components Units	Total all Funds June 30, 1998	Total all Funds June 30, 1997
REVENUES AND OTHER ADDITIONS:				
Current funds revenues	\$ 1,147,048	\$ 53,998	\$ 1,201,046	\$ 1,156,117
Student fees	7,651	-	7,651	7,862
New Mexico State Appropriations	18,977	-	18,977	12,832
Government grants and contracts:				
Federal	114,275	-	114,275	122,283
State of New Mexico	12,140	-	12,140	34,602
Private gifts, grants and contracts	44,553	508	45,061	26,061
Investment income	25,698	152	25,850	38,344
Land & Permanent Fund income	21,743	-	21,743	1,818
Expended for plant facilities	74,940	-	74,940	110,562
Retirement of indebtedness	9,378	-	9,378	9,771
Issuance of university bonds	6	-	6	36,178
Other additions	45,651	-	45,651	42,292
Federal & Local sources	12,915	-	12,915	6,681
Total revenues & other additions	<u>1,534,975</u>	<u>54,658</u>	<u>1,589,633</u>	<u>1,605,403</u>
EXPENDITURES AND OTHER DEDUCTIONS:				
Educational and general expenditures	1,225,753	41,919	1,267,672	1,212,711
Auxiliary enterprises expenditures	29,514	-	29,514	30,707
Indirect cost recovered	38,630	-	38,630	35,883
Loan cancellations and write-offs	1,899	-	1,899	1,368
Administration costs	247	25	272	607
Expended for plant facilities	66,938	-	66,938	93,620
Additional indebtedness incurred	480	-	480	6,083
Losses on investments	-	-	-	-
Debt service:				
Principal	10,752	-	10,752	10,083
Interest	13,053	-	13,053	12,215
Plant and equipment write-offs and disposals	7,940	-	7,940	36,539
Other deductions	16,472	405	16,877	19,583
Total expenditures and other deductions	<u>1,411,678</u>	<u>42,349</u>	<u>1,454,027</u>	<u>1,459,399</u>
TRANSFERS FROM(TO) OTHER FUNDS				
AND OTHER ADDITIONS(DEDUCTIONS):				
Mandatory transfers	2	-	2	-
Nonmandatory transfers	1,113	-	1,113	-
Fund addition due to endowments	1,591	-	1,591	1,610
Other additions (deductions)	11,338	-	11,338	344
Total Transfers and Other Additions				
(deductions)	<u>14,044</u>	<u>-</u>	<u>14,044</u>	<u>1,954</u>
Net increase (decrease) for the year	137,341	12,309	149,650	147,958
Fund balances at beginning of year	1,924,714	64,950	1,989,664	1,841,706
Fund Balances at end of year	<u>\$ 2,062,055</u>	<u>\$ 77,259</u>	<u>\$ 2,139,314</u>	<u>\$ 1,989,664</u>

The notes to financial statements are an integral part of this statement.

STATE OF NEW MEXICO

COMBINED STATEMENT OF CURRENT FUNDS REVENUES,
EXPENDITURES AND OTHER CHANGES
UNIVERSITY FUNDS

EXHIBIT G

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	Unrestricted	Restricted	Total University	Total Component Units	Total (Memorandum Only)	
					1998	1997
REVENUES:						
University:						
Student tuition and fees	\$ 105,225	\$ -	\$ 105,225	\$ -	\$ 105,225	\$ 101,326
Government appropriations:						
Federal	-	4,622	4,622	-	4,622	4,079
State	384,808	-	384,808	-	384,808	389,031
Local	4,857	6,729	11,586	-	11,586	11,411
Government grants and contracts:						
Federal	689	205,197	205,886	-	205,886	198,015
State	3,369	35,182	38,551	-	38,551	34,147
Private gifts, grants, and contracts	3,292	59,416	62,708	-	62,708	57,788
Taxes	879	-	879	-	879	468
Interest	4,197	-	4,197	-	4,197	2,929
Endowment income -						
Land Permanent Fund	8,575	820	9,395	-	9,395	8,319
Indirect costs recovered	29,334	-	29,334	-	29,334	27,355
Sales and services	104,567	122	104,689	-	104,689	98,868
Medical practice plan	3,289	-	3,289	-	3,289	3,289
Other	68,635	7,002	75,637	-	75,637	70,462
Total University Revenues	721,716	319,090	1,040,806	-	1,040,806	1,007,487
Independent Operations:						
Hospital operations	208,889	-	208,889	-	208,889	203,704
Mental Health Center	16,913	770	17,683	-	17,683	19,788
Psychiatric Hospital	13,042	19	13,061	-	13,061	8,450
Office of the Medical Investigator	2,857	32	2,889	-	2,889	2,925
Carrie Tingley Hospital	11,704	5	11,709	-	11,709	8,691
Other	665	13,372	14,037	-	14,037	13,350
Total Independent Operations	254,070	14,198	268,268	-	268,268	256,908
Total University and Independent Operations	975,786	333,288	1,309,074	-	1,309,074	1,264,395
Component Units:						
Friends of Eastern Foundation	-	-	-	660	660	594
University of New Mexico Foundation	-	-	-	24,739	24,739	18,028
University Physician Associates	-	-	-	22,634	22,634	13,816
UNM Anderson Schools Foundation	-	-	-	1,418	1,418	1,383
Science and Technology Corporation	-	-	-	3,576	3,576	3,339
University of New Mexico Lobo Club	-	-	-	1,631	1,631	2,622
Total component units	-	-	-	54,658	54,658	39,782
Total revenues all funds	975,786	333,288	1,309,074	54,658	1,363,732	1,304,177

The notes to the this financial statements are integral part of the financial statements.

STATE OF NEW MEXICO

COMBINED STATEMENT OF CURRENT FUNDS REVENUES,
EXPENDITURES AND OTHER CHANGES

EXHIBIT G

UNIVERSITY FUNDS (CONTINUED)

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	Unrestricted	Restricted	Total University	Total Component Units	Total (Memorandum Only) 1998	1997
EXPENDITURES:						
University:						
Instruction	246,968	20,849	267,817	-	267,817	263,852
Academic support	44,096	2,515	46,611	-	46,611	45,883
Student services	29,570	6,018	35,588	-	35,588	39,083
Instructional support	50,458	3,981	54,439	-	54,439	53,325
Operation and maintenance of plant	53,129	158	53,287	-	53,287	50,961
Research	53,826	143,556	197,382	-	197,382	186,952
Public service	82,946	76,324	159,270	-	159,270	157,293
Internal service	(2,493)	183	(2,310)	-	(2,310)	(1,373)
Student aid/scholarships	11,083	62,924	74,007	-	74,007	62,126
Auxiliary enterprises	71,844	604	72,448	-	72,448	71,134
Intercollegiate athletics	24,307	268	24,575	-	24,575	22,664
Student social and cultural development	6,997	390	7,387	-	7,387	7,200
Total University	672,731	317,770	990,501	-	990,501	959,100
Independent Operations:						
Hospital operations	212,219	-	212,219	-	212,219	198,275
Mental health center	17,498	770	18,268	-	18,268	21,171
Children's Psychiatric Hospital	10,970	19	10,989	-	10,989	8,435
Intern and resident program - private contracts	814	13,372	14,186	-	14,186	13,507
Office of the Medical Investigator	2,822	32	2,854	-	2,854	2,896
Carrie Tingley Hospital	9,460	5	9,465	-	9,465	9,680
Other	10,996	1,333	12,329	-	12,329	12,079
Total Independent Operations	264,779	15,531	280,310	-	280,310	266,043
Total University and Independent Operations	937,510	333,301	1,270,811	-	1,270,811	1,225,143

The notes to the this financial statements are integral part of the financial statements.

STATE OF NEW MEXICO

**COMBINED STATEMENT OF CURRENT FUNDS REVENUES,
EXPENDITURES AND OTHER CHANGES
UNIVERSITY FUNDS (CONTINUED)
For The Fiscal Year Ended June 30, 1998
(Amounts in Thousands)**

EXHIBIT G

	Unrestricted	Restricted	Total University	Total Component Units	Total (Memorandum Only)	
					1998	1997
Component Units:						
Friends of Eastern Foundation	-	-	-	430	430	351
University Physician Associates	-	-	-	21,932	21,932	16,451
University of New Mexico Foundation	-	-	-	13,569	13,569	10,777
UNM Anderson Schools Foundation	-	-	-	1,223	1,223	1,195
Science and Technology Corporation	-	-	-	3,564	3,564	3,371
University of New Mexico Lobo Club	-	-	-	1,631	1,631	2,622
Total Component Units	-	-	-	42,349	42,349	34,767
Total expenditures all funds	<u>937,510</u>	<u>333,301</u>	<u>1,270,811</u>	<u>42,349</u>	<u>1,313,160</u>	<u>1,259,910</u>
TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS):						
Mandatory transfers	(6,217)	-	(6,217)	-	(6,217)	(5,199)
Nonmandatory transfers	(21,739)	1,362	(20,377)	-	(20,377)	(21,734)
Other additions (deductions)	(9,914)	1,600	(8,314)	-	(8,314)	(5,527)
Excess of restricted receipts over transfers to revenues	-	541	541	-	541	(630)
Total transfers and Other Additions (Deductions)	<u>(37,870)</u>	<u>3,503</u>	<u>(34,367)</u>	<u>-</u>	<u>(34,367)</u>	<u>(33,090)</u>
Net Increase in Fund Balance	<u>\$ 406</u>	<u>\$ 3,490</u>	<u>\$ 3,896</u>	<u>\$ 12,309</u>	<u>\$ 16,205</u>	<u>\$ 11,177</u>

The notes to the this financial statements are integral part of the financial statements.

This page intentionally left blank.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide a summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements.

Note 1. Summary of Significant Accounting Policies

The accompanying general purpose financial statements of the State of New Mexico (the State) were compiled from the audited financial statements of the various departments, agencies, and other organization units with the exception of the Public Employees' Retirement Association (PERA). Fiscal information was furnished by PERA prior to availability of audited financial statements, and may differ from information contained in the audited financial statement.

This annual financial report does not include the financial statements of the community colleges and special schools.

The following is a summary of the significant accounting policies:

A. Reporting Entity

The general purpose financial statements include all funds and account groups over which the State's elected officials exercise significant oversight responsibility.

The decision to include a potential component unit in the State's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following significant component units are included in these financial statements:

- University of New Mexico
- New Mexico State University
- New Mexico Highlands University
- Eastern New Mexico University
- Western New Mexico University
- New Mexico Institute of Mining and Technology

These financial statements exclude the community college funds, and special school funds.

B. Fund Accounting

The State uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The State records its transactions in the fund types and account groups described below. Transactions between funds within a fund type, if any, have been eliminated.

Governmental Fund Types

General- is the general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.

Special Revenue- is used to account for the proceeds of specific revenue sources (other than debt service, expendable trust or major capital projects) such as Federal grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed by either the State Legislature or outside parties.

STATE OF NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1998

Note 1. Summary of Significant Accounting Policies (Continued)

Debt Service- -is used to account for the accumulation of resources for, and the payment of principal, interest, and related cost of general long-term obligations.

Capital Projects- -is used to account for the financial resources used for acquisition or construction of major state-owned capital facilities and for capital assistance grants to local governments.

Account Groups

General Fixed Assets Account Group- - is used to account for general fixed assets of the State exclusive of fixed assets reported by the College, Special School, and University Funds.

General-Long-Term Obligations Account Group- -is used to account for long-term obligations of the State including bonds, most obligations under lease/purchase and other financing arrangements, and compensated absences payable exclusive of liabilities of the College, Special School and University Funds.

University Funds

University Funds account for the operations of the following public institutions of high education:

- Eastern New Mexico University
- New Mexico Highlands University
- New Mexico Institute of Mining and Technology
- New Mexico State University
- University of New Mexico
- Western New Mexico University

The accounts of the University Funds are derived from their audited annual financial statements for the fiscal year ended June 30, 1998.

Transactions reported by the Universities are displayed in the University Funds described below:

- Current funds include those assets which can be expended for any purpose in performing the primary objectives of the University. Resources restricted by donors or other outside agencies for specific operating purposes are accounted for as restricted current funds.
- Loan funds include gifts and grants which are limited by terms of the donors for the purpose of making loans to students.
- Endowment and similar funds are subject to the restrictions of gift instruments requiring in perpetuity that the principal be invested and the income only be utilized.
- Plant funds include resources that have been or are to be invested in fixed assets and funds reserved to retire debt incurred to finance facilities.

Fiduciary Fund Types

Fiduciary Funds include Expendable and Nonexpendable Trust Funds, Investment Trust Funds, Agency Funds and the State and Local Retirement Systems (Pension Trust Funds). The Expendable and Nonexpendable Trust Funds, Investment Trust Funds and Agency Funds are used to account for assets

Note 1. Summary of Significant Accounting Policies (Continued)

held by the State in a Trustee capacity or as an agent for individuals, private organizations and other governments.

Proprietary Fund Types

Enterprise Funds- this fund group includes funds and component units whose operations and finances are accounted for in a manner similar to private business enterprises. For this group, it is the intent of the State that: (a) the cost (i.e. expenses, including depreciation) of providing goods and services to the general public be financed primarily by user charges; or (b) "net income" be periodically determined and used as appropriate for capital maintenance, management control, or determination of amounts to be transferred to other operating funds as required by statute.

Internal Service Funds- this group is similar to enterprise funds except that the goods or services are provided primarily to other agencies or funds of the State, rather than to the general public.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. Nonexpendable Trust Funds, and Pension Trust Funds are accounted for on a flow of economic resources measurement focus.

Governmental fund Types and Expendable Trust Funds are accounted for on the modified accrual basis of accounting. Revenues and related receivables are recorded in the accounting period that they become both measurable and available, i.e., earned and collected or expected to be collected within the next 12 months.

Tax revenues are recorded by the State as Taxpayers earn income (personal income business and other taxes) as sales are made (consumption and use taxes) and as the taxable event occurs (miscellaneous taxes), net of estimated overpayments (refunds). Expenditures and related liabilities are recorded in the accounting period the liability is incurred to the extent it is expected to be paid within the next 12 months, except for vacation leave and interest on general long term obligations which are recorded when paid and certain pension contributions. The portion of the liabilities which are expected to be paid beyond 12 months is recorded in the General Long-Term Obligations Account Group.

Nonexpendable Trusts, Pension Trust Funds, Investment Trust Funds and Proprietary Funds are accounted for on the accrual basis. Agency Funds are custodial in nature (assets equal liabilities) and generally are accounted for on the cash basis which approximates the modified accrual basis of accounting.

Financial statements for University Funds have been prepared in accordance with the principles of fund accounting for colleges and universities on the accrual basis, except that no provision has been made for the depreciation of fixed assets. The statement of current funds revenues, expenditures and other changes is a statement of financial activities of the current funds related to the current reporting period. Student revenues are recognized in the accounting period earned.

D. Cash and Investments

Cash

Cash and Cash Equivalents represent petty cash, cash on deposits with banks, and cash invested in short-term securities. Cash Equivalents include investments in short term, highly liquid securities having an initial maturity of three (3) month or less. Cash balances not held in the State Treasury and controlled

Note 1. Summary of Significant Accounting Policies (Continued)

by various State officials are generally deposited in interest-bearing accounts or other legally stipulated investments.

Investments

Fixed-income securities are reported at fair value subject to adjustment for market declines judged to be other than temporary. Gains and losses on sales and exchanges of fixed-income securities are recognized under the completed or deferral transaction method.

Equity securities are reported at fair value subject to adjustment for market declines judged to be other than temporary. The cost of corporate stock sold is determined using the average cost of the security. Gains and losses on sales and exchanges of equity securities are recognized under the completed or deferral transaction method.

The fair value of investments are estimated and reported based on quoted market prices. If a quoted market price is not available, the fair value is estimated using quoted market prices for similar securities.

Short-term interest bearing securities are stated at fair value. Maturities are generally less than 365 days.

E. Receivables

Receivables are stated net of estimated allowance for uncollectible amounts, which are determined based upon past collection experience and current economic conditions. Due from other governmental entities represents amounts owed to the State to reimburse it for expenditures incurred pursuant to federally funded programs and other programs. Other receivables represent amounts owed to the State.

F. Inventories

Inventories of the Governmental Funds are valued at cost using predominantly the moving average cost methodology while inventories of the Proprietary Funds are valued at cost using the average cost methodology. The Governmental Funds use the purchase method while the Proprietary Funds use the consumption method.

G. Fixed Assets and Depreciation

Fixed assets are valued at historical cost or at estimated historical cost if actual historical cost data are not available. Donated fixed assets are recorded at fair market value on the donation date.

Governmental Funds

Governmental Funds record expenditures when they acquire fixed assets and capitalize those assets in the General Fixed Assets Account Group. The General Fixed Assets Account Group records neither depreciation nor capitalization of interest expenditures during construction. The State does not record its public domain (infrastructure) assets in the General Fixed Assets Account Group.

Proprietary And Similar Trust Funds

Proprietary Funds, Nonexpendable Trust Funds, and Pension Trust Funds capitalize fixed assets when acquired. Depreciation is provided using the straight-line method over the asset's estimated useful life regardless of salvage value.

Note 1. Summary of Significant Accounting Policies (Continued)

H. Liabilities

Accrued liabilities consist primarily of payroll and related fringe benefit accruals. Payables represent unpaid claims against the State.

I. Long-Term Obligations

The liabilities reported in the General Long-Term Obligations Account Group include the State's general obligation bonds, Severance Tax bonds, most obligations under lease/purchase and other arrangements and other long-term liabilities including vacation leave and sick leave.

J. Compensated Absences

The State records vacation and sick leave as an expenditure when paid. Employees are entitled to accumulate annual leave at a graduated rate based on years of service.

Qualified employees are entitled to accumulate sick leave at the rate of one day for each calendar month of service. There is no limit to the amount of sick leave which an employee may accumulate. Employees may elect to be compensated for sick leave in excess of 600 hours at half the employee's hourly rate in any one year, not to exceed 120 hours, unless retiring. Retiring employees may convert up to 400 hours in excess of the 600 hours at half the retiring employee's hourly rate. This election may be made at retirement or at specified times during the employment year. All sick leave balance in excess of 600 but less than 720 hours have been recorded at 50 percent of the employees' hourly rate in the General Long-Term Obligations Account Group.

K. Totals (Memorandum Only) Columns

Amounts in the "Totals - Memorandum Only" columns represent an aggregation of the combined financial statement line-items to facilitate financial analysis. Amounts in the "Totals-Memorandum Only" columns are not comparable to a consolidation.

"Memorandum Only" columns for 1997 are included to provide a summarized comparison with comparable 1998 amounts. The 1997 totals are not intended to present all information necessary for a fair presentation of financial position and results of operations in accordance with generally accepted accounting principles.

To enhance comparability, some 1997 amounts have been reclassified to conform with the presentation used in the 1998 financial statements.

L. Reservation of Fund Balances

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the General Fund, Special Revenue Funds, and Capital Projects Funds. The cost of construction contract commitments generally is recorded as an encumbrance of Capital Projects Funds and is presented as a reserve for encumbrances. These committed amounts generally will become liabilities in future periods as the construction work is performed by the contractors. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Note 1. Summary of Significant Accounting Policies (Continued)

Unemployment Benefits

Fund balance reserved for unemployment benefits represents assets available to fund future unemployment benefit payments.

Debt Service

Fund balance reserved for debt service represents various capital reserve assets available to finance future debt service payments in accordance with the underlying bond indentures.

Arbitrage Rebates

Fund balance reserved for arbitrage rebates represents assets available to pay for arbitrage rebates.

Note 2. Cash and Investments

By law, all deposits and investments are under the control of the State Treasurer, except for those which specific authority are under the control of other component units. Legally authorized investments vary by fund but generally include: Obligations of or guaranteed by the United States; obligations of the State of New Mexico and its political subdivisions; stocks and bonds; and repurchase agreements.

Cash

Cash and cash equivalents represent the demand deposit with the New Mexico State Treasurer and New Mexico banks. The State Treasurer invests all public monies held in excess of the minimum compensating balance which it must maintain in the non-interest bearing demand deposit account with the fiscal agent bank in accordance with an investment policy approved by the State Board of Finance. The interest earned on the investment of these public monies is distributed monthly to earmarked accounts, as specifically identified by statute, based on their monthly average cash balances at the average certificate of deposit rate and overnight investment rate. The remaining portion is transferred to the State General fund Appropriations Account.

The State maintains approximately 621 bank accounts for various purposes at locations throughout the State. Bank deposits may be under the joint custody of the State Treasurer and the organization unit, agencies or other component unit with the exception of the University funds which are totally under the control of the universities.

For deposits of public monies with New Mexico financial institutions, the State requires that its depository banks pledge collateral in amount ranging from 50% to 100% of the amount deposited, dependent upon the institutions operating results and capital.

Investments

The State holds investments both for its own benefit and as an agent for other parties. Legally authorized investments vary by fund but generally include obligations of the United States and certain agencies of the United States, obligations of the State of New Mexico and certain of its political subdivisions, certificates of deposits, collateralized repurchase agreements, and certain corporate securities.

The State's investments are categorized to give an indication of the level of custodial risk assumed by the State at June 30, 1998. Category 1 includes investments that are insured or registered, or for which the State or its agent, in the State's name, holds the securities. Category 2 includes uninsured and unregistered

STATE OF NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1998

Note 2. Cash and Investments (Continued)

investments for which the counterparty's trust department or agent, in the State's name, holds the securities.

Category 3 includes uninsured and unregistered securities held by a counterparty, or by its trust department or agent, but not in the State's name. The categories of the State's investments at June 30, 1998 were as follows (expressed in thousands dollars):

	<u>Category</u>			<u>Carrying Amount and Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
<u>Investments Categorized</u>				
Certificates of deposits	\$ -	\$ -	\$ 196,584	\$ 196,584
Short-term commercial paper	-	186,722	-	186,722
U. S Treasury bonds & notes	-	3,282,143	-	3,282,143
Government sponsored enterprise and agency funds	-	3,494,471	-	3,494,471
Corporate Fixed-Income Securities	-	3,008,083	-	3,008,083
Common & preferred stock	-	11,832,902	-	11,832,902
Conventional mortgage pass-through certificates	-	-	1,984	1,984
NM Commissioner of Public Lands ONGARD bonds	3,060	-	-	3,060
International securities	-	-	490,447	490,447
Other	11,822	-	-	11,822
	<u>\$ 14,882</u>	<u>\$ 21,804,321</u>	<u>\$ 689,015</u>	<u>\$ 22,508,218</u>
<u>Investments Not Categorized</u>				
U. S. Treasury Securities				463,932
Short term-Repurchase agreements				178,089
Corporate equity securities				1,135,832
Deferred compensation plan-annuity contracts				186,314
Private equity				27,634
Mortgage loans				1,199
Other				31,957
Total investments				<u>\$ 24,533,175</u>

Securities Loan Program

Through a safekeeping agent, the State lends securities for a fee from its investment portfolios on a collateralized basis to third parties, primarily financial institution and/or brokerage houses. The market value of the required collateral must meet or exceed 102% of the market value of the securities loaned, providing a margin against a decline in the market value of the collateral. Securities loaned and securities taken as collateral are all book-entry securities which are substantially similar in type, rate, and maturity for each transaction. Under this program, the State may demand return within twenty-four (24) hours of any security previously loaned.

STATE OF NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1998

Note 3. Retirement Plans

A. Plan Descriptions

The State maintains two cost-sharing multiple-employer public employees retirement systems: the New Mexico Public Employees' Retirement System (PERA) and the New Mexico Educational Employees' Retirement System (ERA). These Systems publish their own component Unit Financial Report.

The systems provide retirement, death, and disability benefits to State employees, employees of counties, municipalities, public schools, universities, colleges, special schools, and certain other political subdivisions. Each System is independent. Assets may not be transferred from one system to another or used for any purpose other than to benefit each system's participants.

The number of participating government employers, the number of contributing members, and payroll amounts (dollars expressed in the thousands) for each system for the year ended June 30, 1998 were:

	<u>PERA</u>	<u>ERA</u>
Number of employers:		
State Agencies	117	10
Cities	71	-
Counties	33	-
Public Schools	-	89
Universities and Colleges	-	11
Special Schools	-	10
Other	49	-
Number of Contributing Members:		
State, Cities and Counties Employees	41,692	-
Public Schools, Universities, Colleges & Special Schools	-	58,097
Other	-	-
Covered payroll:		
State, Cities and Counties Employees	\$ 1,156,106	-
Public Schools, Universities, Colleges & Special Schools	-	\$ 1,542,800
Other	*	-

* Included with state, cities, and counties employees.

Information regarding membership in the systems at June 30, 1998 was:

	<u>PERA</u>	<u>ERA</u>
Retirees and beneficiaries currently receiving benefits	15,745	19,244
Terminated employees entitled to benefits but not yet receiving them	1,816	14,045
Active employees / Volunteers - Vested, Non-Vested	41,692	58,097
Total participants	<u>59,253</u>	<u>91,386</u>

Note 3. Retirement Plans (Continued)

B. Funding Benefit Policies

The New Mexico Public Employees' Retirement System

Public Employees Retirement Plan - This is a qualified, benefit defined, governmental retirement plan which has six divisions of members: state general, state police/hazardous duty, municipal general, municipal police, municipal fire, and Legislative. The majority of the state and municipal employees, excluding those covered under the separate Educational Retirement Act, participate in the Plan under Section 10-11-1 through 10-11-140, NMSA 1978, the "Public Employees Retirement Act."

Retirement ages vary depending upon the division to which the member belongs, but benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age. Early retirement benefits are also available at age 60 and above.

Member's contributions for all divisions, except Legislative, are based upon a percentage of salary and range from 4.78% to 16.30%, depending upon the division. Employer's contributions, also a percentage of salaries paid, range from 7% to 25.72%. Contribution rates are established by State statute.

Retirement benefits for all divisions, except Legislative, are computed based upon the member's "final average salary", length of service and a pension factor. Monthly benefits vary depending upon the division to which the member belongs and range from 2% to 3.5% of the member's "final average salary".

Benefits for duty and non-duty death and disability and for post retirement survivors' annuities are also available.

Judicial Retirement Plan - Persons who serve or have served in the office of Judge or Justice may be entitled to retirement benefits under Section 10-12B-1 through 10-12B-17, NMSA 1978, the "Judicial Retirement Act." Benefits are available at age 64 or older to anyone having served not less than five years. Early retirement at age 60 is available to anyone having served at least 15 years. The plan also provides for survivors' allowances and disability benefits. The plan is a defined benefit plan, benefits being based upon salary received during the last year in office and length of service.

Members contribute 5% of their salaries and the members' court contributes 9% of the members salary. Additionally, the district court contributes \$38 for each civil case docket fee paid. Contribution rates are established by State statute.

Magistrate Retirement Plan - Persons who serve or have served in the office of Magistrate may be entitled to retirement benefits under Section 10-12C-1 through 10-12C-16, NMSA 1978, the "Magistrate Retirement Act". Benefits are available at age 64 or older to any Magistrate having ceased to hold office by reason of expiration of his term or voluntary resignation. Early retirement at age 60 is available to any magistrate or former magistrate having served at least 15 years or at any age with 24 or more years of service credit. The plan also provides for survivors' allowances and disability benefits. The plan is a defined benefit plan, benefits being based upon salary received during the last year in office and length of service.

Members contribute 5% of their salaries and the State, through the Administrative Office of the Courts, contributed 9% of the member's salary. Additionally, the magistrate or metropolitan court contributed \$25 for each civil case docket fee paid and \$10 for each civil jury fee paid. Contribution rates are established by State statute.

Volunteer Firefighters Retirement Plan - Persons who serve or have served as volunteer non-salaried firefighters may be entitled to retirement benefits under Section 10-11A-1 through 10-11A-7, NMSA 1978, the "Volunteer Firefighters Retirement Act". Benefits are available at age 55 or older to any member having served as a volunteer fire fighter for not less than 10 years. The plan also provides for survivors' allowances. Benefits range from \$100 to \$200 per month based on length of service.

Note 3. Retirement Plans (Continued)

State statutes require that the State Treasurer transfer \$1,000,000 from the Fire Protection Fund to the "Volunteer Firefighters Retirement Fund, for the current fiscal year.

The New Mexico Educational Employees' Retirement System

The Educational Employees' Retirement Plan - This is a qualified, defined benefit governmental retirement plan established and administered by the State of New Mexico to provide pension benefits for all state certified employees, teachers and other employees of the State educational institutions, junior colleges, and technical vocational institutes.

The benefits are computed using the final average salary and years of service. Plan options may be selected by retiring members requiring actuarial reductions based on attained age, age of spouse and similar actuarial factors. A brief summary of coverage plan provisions are as follows:

- (1) Normal retirement eligibility conditions applicable to all members:
 - The member's age and earned service credit add up to sum of 75 percent or more; or
 - Age 65 or more with at least five years of earned service credit; or
 - The member has earned service credit and allowed service credit totaling 25 or more years.

A further requirement to be eligible to retire is that one must be a "member" having at least one year of employment after July 1, 1957 and at least five years of contributory employment. Eligible members who have one year of employment after July 1, 1957, but less than the required five, may contribute to the fund for each year needed. The cost of such contributions is 15.2 percent of the average salary of the last five years of each year of contributory employment needed, plus three percent compounded interest from July 1, 1957 to the date of payment.

When a member has completed five or more years of "earned service credit" and has made contributions for at least five years, the member may terminate employment, leave his/her contributions in the retirement fund and retire (1) when the member's age and years of "earned service credit" (covered employment in New Mexico) add up to the sum of 75 or more, or (2) the member may retire at age 65, if he/she has at least five years of "earned service credit."

- (2) Normal Retirement Pension Amount - The benefit for retirement at age 60, or after 25 years of service before age 60, is an annual sum equal to the "final average salary" multiplied by the total number of years of service credited times 2.35 percent.
- (3) Normal and Optional Forms of Payment - The normal form of Payment is for life. Optional contingent survivor beneficiary forms of payment are available on an actuarial equivalent basis.
- (4) Disability Retirement - A member may be eligible for disability benefits after the member has completed ten years of earned service credit and is totally disabled to continue in employment and is unable to gain or retain other employment commensurate with his education, background and experience.

In order to receive benefits, the disabled member must have terminated employment because of their disability and must file application with the Educational Retirement Board

Note 3. Retirement Plans (Continued)

The member must also submit to an examination by medical examiners appointed by the Board. The annual disability benefit generally shall be the final average salary multiplied by number of years of service times 2.0 percent. If this amount is less than one-third of the final average salary or the product of the final average salary times 2.0 percent times the sum of the member's service credit and 60 minus member's age, whichever is less.

When a disabled member becomes age 60, the member is deemed to have retired, and thereafter, his/her disability benefit becomes a retirement benefit, subject to the reduction if the member elects an option. The member is no longer subject to removal from status due to an improvement of condition.

- (5) Cost of Living Increases - Pensions are increased each July 1 in accordance with $\frac{1}{2}$ of the percent change in the Cost of Living of the preceding calendar year or four percent, whichever is less. The annual adjustment shall be no less than two percent. The first adjustment to the annuity will be made on July of the year in which the retirement member attains age 65 or on July 1 of the following year in which the member retires, whichever is later.

Employee and Employer Obligations to Contribute

As a condition of participation in the System, both employees and employers are required to contribute 7.60 and 8.65 percent of salaries and wages, respectively.

Members may withdraw their contributions only when they terminate covered employment in New Mexico and certification of termination has been provided by the former employers. Interest paid to members when they withdraw their contributions, following termination of employment, is 75 percent of the average earnings rate of the fund during the five fiscal years preceding the year of withdrawal. Interest is not earned on contributions credited to accounts prior to July 1, 1971, and contributions on deposit for less than one year earned no interest.

C. Funding Status and Progress

The total actuarial present value of the statutory obligations, also known as the actuarial present value of total projected benefits, is intended to help users assess systems' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons between public employee retirement systems. This calculation includes all benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members) as a result of their service through the valuation date and their expected future service. The actuarial present value of the statutory obligations as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Expressed another way, it is the amount that would have to be invested on the valuation date so that the amount invested plus invested earnings will provide sufficient assets to pay total projected benefits when due.

STATE OF NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1998

Note 3. Retirement Plans (Continued)

The actuarial present value of statutory obligations of the systems' was determine as part of the actuarial valuation at June 30, 1998. Actuarial and economic assumptions include the following:

	<u>PERA</u>	<u>ERA</u>
Valuation date	June 30, 1998	June 30, 1998
Actuarial cost method	Individual Entry age	Entry age Normal
Amortization method	Level Percent of payroll	Level Payment Open
Amortization period	13 to 30 years	26.7 years
Asset valuation method	4 Year Smoothed market	5-year Smoothed market
Rate of return on investment of present and future assets *..	8%	8%
Inflation increase.....	5%	3.54%
Post retirement benefit increases	3%	2%
Interest on member accounts.....	5.25%	-
Projected salary increases	5.50% to 9.30% *	4.50% to 13.25%

* Includes inflation at 5.00%.

** Projected salary increases, attributable to seniority/merit, vary from 0.00% to 3.8% based on age of employee and division in which employed.

The annual interest rate assumption for all plans is 8%. Projected rates of separation due to withdrawal, death, service retirement, and disability are based on experience of the systems. Neither PERA nor the ERA separately measures assets and pension benefit obligations for individual employers. The total unfunded actuarial accrued liability for each system (expressed in thousands) at June 30, 1998 (latest available data), was:

	<u>PERA</u>	<u>ERA</u>	<u>TOTAL</u>
Actuarial accrued liability:			
Retirees and beneficiaries currently			
receiving benefits	\$ 2,944,616	\$ 2,729,789	\$ 5,674,405
Vested former members	80,678	*	80,678
Active Members	<u>3,066,606</u>	<u>3,669,020</u>	<u>6,735,626</u>
Total actuarial accrued			
Liability.....	6,091,900	6,398,809	12,490,709
Less: Funding value of			
assets	<u>5,565,686</u>	<u>5,169,503</u>	<u>10,735,189</u>
Unfunded actuarial			
Accrued liability	<u>\$ 526,214</u>	<u>\$ 1,229,306</u>	<u>\$ 1,755,520</u>

* Included with active members.

STATE OF NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1998

Note 3. Retirement Plans (Continued)

D. Contributions Required and Contributions Made

Contributions made in accordance with the required contribution amount (dollars expressed in thousands) are as follows:

	<u>PERA</u>	<u>ERA</u>	<u>TOTAL</u>
Employer contributions.....	\$ 169,364	\$136,191	\$ 305,555
Member contributions	<u>114,203</u>	<u>122,499</u>	<u>236,702</u>
Total Contributions	<u>\$ 283,567</u>	<u>\$ 258,690</u>	<u>\$ 542,257</u>

Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the standardize measure of pension obligation discussed above.

Note 4. Post-Employment Benefits Other Than Pensions

The Retiree Health Care Act (10-7C-1 to 10-7C-16, NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan or optional plans of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and by co-payments or out-of-pocket payments of eligible retirees.

Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees. Eligible employers are institutions of higher education, school districts, or other entities participating in the public school insurance authority and state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Educational Retirement Act or the Magistrate Retirement Act or the Public Employees Retirement Act.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf unless that person retires on or before July 1, 1995, in which event the time period required for employee and employer contributions shall become the period of time between July 1, 1990, and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990.

Each participating employer makes contributions to the fund in the amount of one percent of each participating employee's annual salary. Each participating employee contributes to the fund an employee contribution in an amount equal to one-half of one percent of the employee's salary. Each participating retiree pays a monthly premium of fifty seven dollars and sixty five cents (\$57.65) for the basic single plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to July 1, 1990 and made no contributions to the plan. Participants may also enroll in optional plans of coverage.

Contributions for participating employers and participating employees become the property of the Retirement Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retirement Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The post employment benefit expenses for the year ended June 30, 1998 consisted of premiums paid in the amount of \$14,842,838 and claims paid in the amount of \$40,433,372 for a total of \$55,276,210. Participant contributions were \$56,402,728 therefore, the net revenue for the year was \$1,126,518.

For the fiscal year ended June 30, 1998 employers/employees and retirees remitted \$32,243,400 and \$24,159,328 respectively. As of June 30, 1998, 17,371 retirees were participating in the plan.

Note 5. Deferred Compensation Plan

The State of New Mexico offers state, local government and school district employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all State employees and those local governments and school district employees whose employers have elected participation in the plan permitting participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

There are employees that are making contributions to the Deferred Compensation Plan. The State makes no contributions to the Deferred Compensation Plan. All contributions withheld from participant's by the State have been paid to the New Mexico Public Employees' Retirement Association, which administers the plan.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of New Mexico (without being restricted to the provisions of benefits under the plan), subject only to the claims of the State's general creditors. Participants' rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account of each participant. The State has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor. The State believes it is unlikely that Plan assets will be used to satisfy future claims of general creditors.

Plan assets of \$188.5 million at June 30, 1998 were reported at fair value within the sole custody of the Agency Funds

Note 6. Arbitrage on Tax-Exempt Bonds

Prior to the Tax Reform Act of 1986 (TRA), state and local governments had up to three years to use the proceeds from tax exempt bonds issued by them before arbitrage on such proceeds had to be paid to the Treasury Department. Arbitrage, as defined, is the excess interest earned by a state or local government on proceeds from the sale of its bonds over interest paid to bond holders.

TRA 1986 required rebate of such arbitrage to the Treasury Department on governmental bonds issued after August 31, 1986, and on private activity bonds issued after December 31, 1984, when the proceeds were held for six months or longer. These rebates must be calculated annually and paid at the end of every fifth year until the bonds are retired.

The Revenue Reconciliation Act of 1989 amended the 6 month rule. For bonds issued after December 19, 1989 the rebate requirement does not apply if, both, all of the gross proceeds of the issue, other than the reserve fund, are spent within the 6 month period following the date of issue, and the rebate requirement is satisfied for the reserve fund after the 6 month period. The term gross proceeds for purposes of the rule includes both the sale proceeds received from the bonds purchaser on the issue date and investment earnings on such proceeds during the 6 month period. Gross proceeds deposited in a reserve fund or bona fide debt service fund, however, are not subject to the expenditure requirement.

STATE OF NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1998

Note 6. Arbitrage on Tax-Exempt Bonds (Continued)

The following is a schedule of bond issues, along with the bond year ends and Arbitrage rebate due dates. The State Treasurers Office has completed the first arbitrage computation for the bonds, as indicated:

	<u>Bond year End of First Rebate Computation</u>	<u>First Arbitrage Rebate Due Date</u>	<u>First Computation of Arbitrage Completed</u>
Capital Projects General Obligation Bonds Series 1993	September 1998	November 1998	x
General Obligation Refunding Bonds Series 1993-B	September 1998	November 1998	x
General Obligation Capital Projects Improvement Bonds Series 1995	September 2000	November 2000	
General Obligation Capital Projects Improvement Bonds Series 1997	September 2002	November 2002	
Severance Tax Bonds Series 1993-B	July 1998	August 1998	x
Severance Tax Bonds Series 1994-B	July 1999	August 1999	
Severance Tax Bonds Series 1995-A	July 2000	August 2000	
Severance Tax Bonds Series 1995-B	July 2000	August 2000	
Severance Tax Bonds Series 1996-A	July 2001	August 2001	
Severance Tax Refunding Bonds Series 1997-A	July 2002	August 2002	
Severance Tax Refunding Bonds Series 1998-A	July 2003	August 2003	
Severance Tax Bonds Series 1998-B	July 2003	August 2003	

Interest earnings on invested bond proceeds through June 30, 1998 did not exceed the interest costs of the bonds. Such amounts would have been included as a reservation of fund balance in the accompanying financial statements. Amounts due the Internal Revenue Service which are known and measurable are recorded as a liability - accrued arbitrage interest payable in the accompanying financial statements.

STATE OF NEW MEXICO**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 1998

Note 7. Restatements of Prior Year Fund Balances

The beginning fund balances of certain governmental fund types and retained earnings of certain proprietary and fiduciary fund types were restated from the 1997 presentation. The prior year financial statements were corrected to reflect adjustments to revenue and liabilities for the various fund types. Also to record the effect of adopting GASB Statement No. 31 and recording Severance Tax Bonding Fund transfers received on June 30, 1997. These adjustments were made as increases (decreases) to June 30, 1997 balances as follows (amounts in thousands):

	Beginning Fund Balances/Retained Earnings <u>July 1, 1997</u>	<u>Adjustments</u>		Restated Fund Balances/Retained Earnings <u>July 1, 1997</u>
		<u>Increase</u>	<u>Decrease</u>	
Governmental Funds	\$ 934,198	\$ 534	\$ 36,520	\$ 898,212
Proprietary Funds	\$ 476,491	\$ 72	\$ -	\$ 476,563
Fiduciary Funds:				
Expendable Trust Funds	179,555	-	343	179,212
Non-Expendable Trust Funds	<u>16,943,271</u>	<u>1,895,707</u>	<u>-</u>	<u>18,838,978</u>
Totals	<u>\$ 18,533,515</u>	<u>\$ 1,896,313</u>	<u>\$ 36,863</u>	<u>\$ 20,392,965</u>

Note 8. Unreserved, Undesignated Fund Balance (Deficit)

The unreserved, undesignated fund balance (deficit) is the component of fund balance that represents the portion of the encumbrances recognized in advance of the corresponding funding source.

Note 9. Subsequent Events**Bonds**

On October 22, 1998, the New Mexico State Highway & Transportation Department issued \$105,000,000 in aggregate principal amount of its Senior Subordinate Lien Tax Revenue Highway Bonds, Series 1998A ("the CHAT Bonds"). The CHAT Bonds are being issued pursuant to a resolution of the State Highway Commission adopted on September 17, 1998 (the "CHAT Resolution"). The lien of the 1998 WIPP Bonds (described in the following paragraph on the Pledged Revenues will be subordinate to the lien on the Pledged Revenues securing the CHAT Bonds. The interest rates on these bonds range from 4.25% to 5.125% with final principal payment due June 15, 2010.

On October, 22, 1998 the New Mexico State Highway & Transportation Department issued \$100,000,000 in aggregate principal amount of its Subordinate Lien Tax Revenue Highway Bonds, Series 1998B (the "1998 WIPP Bonds"), for additional WIPP highway projects. The 1998 WIPP Bonds are being issued pursuant to a resolution of the Commission adopted on September 17, 1998. The lien of the CHAT Bonds on the Pledged Revenues will be superior to the lien on the Pledged Revenues securing the 1998 WIPP Bonds. The 1996 WIPP Bonds and the 1998 WIPP Bonds are on a parity with each other. The interest rates on these bonds range from 4.25% to 5.125% with final principal payment due June 15, 2011.

On September 17, 1998 the New Mexico Finance Authority (the "NMFA") sold \$100,230,000 in aggregate

Note 9. Subsequent Events (Continued)

principal amount of its Federal Highway Grant Anticipation Revenue Bonds, Series 1998A (the "NMFA Bonds"), which were delivered on October 2, 1998. The NMFA Bonds are payable from funds received under a loan agreement between the NMFA and the New Mexico State Highway and Transportation Department (Department). The Department's obligations under such loan agreement are payable from and secured solely by a lien on certain federal funds payable to the Department from the Federal Highway Administration. After loan agreement payments and any similar payments due on obligations that may hereafter be issued payable from such funds have been obligated and encumbered by the Department, any remaining federal funds received will be deposited into the State Road Fund.

The total debt service payments, principal and interest, required to be made in the 1999th fiscal year for these bond issues is \$18,653,215. Total debt service for these bonds for the years 1999 through 2015 is \$410,262,430.

Note 10. Year 2000 Disclosure

The State of New Mexico is currently addressing the year 2000 (Y2K) issues relating to its computer systems and other electronic equipment. The year 2000 issue refers to the fact that many computer programs use only the last two digits to refer to a year. Therefore, both 1900 and 2000 would be referred to "00." Computer programs have to be adjusted to recognize the difference between those two years or the programs will fail or create errors. Also, some programs may not be able to recognize that 2000 is a leap year.

The State has appointed the Chief Information Officer (CIO) of the Information Technology Management Office to monitor Y2K compliance efforts. The CIO completed a survey in which the executive branch agencies identified, described and reported Y2K mission-critical systems. The CIO continues to monitor the agency progress by means of required quarterly reports and regular communications with agencies deemed to be at risk. Further a risk assessment from an independent project contractor of executive agency systems deemed to have a state-wide impact in the areas of Public Safety, Health and Human Services, and key financial transactions has been completed and this information will be used to monitor agencies at risk.

The Y2K Systems Status June Report issued June 1, 1999 by the CIO states that the number of mission critical systems in New Mexico State Government is 280. 55% of the mission critical systems are reported compliant, 10% are in the test phase and 35% are in progress, however, there are expectations that all systems will be compliant by January 1, 2000.

Management believes that the State has the correct strategy and plan in place to address the Y2K issues. However, because of the unprecedented nature of the year 2000 issue, its effects and the success of the related remediation efforts cannot be fully determinable until the year 2000 and thereafter. Consequently, management cannot guarantee that the State is or will be year 2000 ready, that the State's remediation efforts will be successful in whole or in part, or that parties with whom the State does business will be year 2000 ready. However, the executive agencies are preparing contingency and business continuity plans to ensure minimal disruption of state services related to Y2K problems.

This page intentionally left blank.

**Combining and Account Group
Financial Statements and Schedules**

SPECIAL REVENUE FUNDS

The special revenue funds are used to account for the proceeds of specific revenues that are designated to finance specific functions of government. The state has many individual special revenue funds; for presentation in this report, the funds have been combined into specific functional areas.

STATE OF NEW MEXICO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 1998
(Amounts in Thousands)

	Judicial	Government General Control	Regulation Licensing/ Econ. Development
ASSETS			
Cash and cash equivalents	\$ 4,827	\$ 30,457	\$ 25,693
Receivables, net of allowance for uncollectibles	45	5,341	823
Due from other funds	38	331	36
Inventories	-	-	58
Deferred charges and other assets	-	1,254	60
Due from other agencies	-	712	-
Due from other governmental entities	366	-	182
Investments, at cost	-	-	-
Total Assets	<u>\$ 5,276</u>	<u>\$ 38,095</u>	<u>\$ 26,852</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Payables	\$ 1,324	\$ 891	\$ 2,786
Accrued liabilities	217	36	88
Due to other agencies	12	3,004	1
Due to other funds	315	1,016	315
Due to other governmental entities	47	127	17
Other obligations	5	43	157
Deferred revenue	60	18	1,398
Total Liabilities	<u>1,980</u>	<u>5,135</u>	<u>4,762</u>
Fund Balances:			
Reserved for encumbrances	584	14,688	6,694
Reserved for special projects	15	6,641	3,098
Reserved for inventories	-	-	118
Reserved for subsequent years' expenditures	1,389	6,651	6,473
Unreserved - Designated for highway construction	-	-	-
Unreserved - Undesignated	1,308	4,980	5,707
Total Fund Balances	<u>3,296</u>	<u>32,960</u>	<u>22,090</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,276</u>	<u>\$ 38,095</u>	<u>\$ 26,852</u>

The notes to the financial statements are an integral part of this statement.

SCHEDULE 1

<u>Culture, Recreation, Natural Resources</u>	<u>Health and Human Services</u>	<u>Public Safety</u>	<u>Transportation and Highways</u>	<u>Education</u>	<u>Total</u>
\$ 27,367	\$ 61,029	\$ 3,476	\$ 181,592	\$ 65,087	\$ 399,528
5,747	1,368	19	30,478	21,664	65,485
41,741	629	9	21,692	261	64,737
-	-	-	13,103	-	13,161
-	1,720	-	5,521	-	8,555
13	7,712	-	-	12,763	21,200
853	1,091	-	16,741	29	19,262
-	-	-	-	-	-
<u>\$ 75,721</u>	<u>\$ 73,549</u>	<u>\$ 3,504</u>	<u>\$ 269,127</u>	<u>\$ 99,804</u>	<u>\$ 591,928</u>
\$ 1,275	\$ 1,053	\$ 172	\$ 60,638	\$ 1,773	\$ 69,912
78	123	318	4,658	-	5,518
1	439	-	-	530	3,987
239	16,751	123	28,407	11,225	58,391
-	13	-	13	12,812	13,029
15	2,465	-	112	-	2,797
-	7,398	-	37,350	-	46,224
-	-	-	-	-	-
<u>1,608</u>	<u>28,242</u>	<u>613</u>	<u>131,178</u>	<u>26,340</u>	<u>199,858</u>
6,896	37,267	1,386	351,645	28,487	447,647
49,575	22,379	733	5,795	-	88,236
-	-	-	13,103	-	13,221
9,064	15,684	763	250	10,454	50,728
-	-	-	(232,844)	-	(232,844)
8,578	(30,023)	9	-	34,523	25,082
-	-	-	-	-	-
<u>74,113</u>	<u>45,307</u>	<u>2,891</u>	<u>137,949</u>	<u>73,464</u>	<u>392,070</u>
<u>\$ 75,721</u>	<u>\$ 73,549</u>	<u>\$ 3,504</u>	<u>\$ 269,127</u>	<u>\$ 99,804</u>	<u>\$ 591,928</u>

STATE OF NEW MEXICO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	Judicial	Government General Control	Regulation, Licensing/ Econ. Development
REVENUES:			
Taxes:			
User and fuel	\$ -	\$ 5,316	\$ 721
Licenses, fees, and permits	2	115	4,555
Interest and other investment income	-	448	35
Rents and royalties	-	-	-
Federal funds	2,380	18,968	1,239
U. S. Department of Transportation	-	-	-
U. S. Department of Energy	-	-	-
Charges for services	7,212	2,744	549
Other	584	755	870
Total Revenues	<u>10,178</u>	<u>28,346</u>	<u>7,969</u>
EXPENDITURES:			
Current:			
Judicial	16,574	-	-
General control	-	51,842	-
Regulation, licensing and economic development	-	-	11,297
Culture, recreation, and natural resources	-	-	-
Health and human services	-	-	-
Public safety	-	-	-
Transportation and Highways	-	-	-
Education	-	-	-
Total Expenditures	<u>16,574</u>	<u>51,842</u>	<u>11,297</u>
Excess (deficiency) of revenues over expenditures	<u>(6,396)</u>	<u>(23,496)</u>	<u>(3,328)</u>
Other Financing Sources (Uses):			
Proceeds from bonds	-	9,818	-
Operating transfers in	4,797	13,765	10,692
Operating transfers (out)	(3,575)	(162,096)	(627)
Other sources	5,782	155,748	7,025
Other uses	(47)	(876)	(39)
Increase (Decrease) in fair value of investments	-	-	-
Net Other Financing Sources (Uses)	<u>6,957</u>	<u>16,359</u>	<u>17,051</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>561</u>	<u>(7,137)</u>	<u>13,723</u>
Fund balances at the beginning of the year, as previously reported	2,746	40,135	8,367
Prior Period Adjustments (Note #7)	(11)	(38)	-
Fund balances at beginning of year, restated	<u>2,735</u>	<u>40,097</u>	<u>8,367</u>
Fund balances at the end of the year	<u>\$ 3,296</u>	<u>\$ 32,960</u>	<u>\$ 22,090</u>

The notes to the financial statements are an integral part of this statement.

SCHEDULE 2

<u>Culture, Recreation, Natural Resources</u>	<u>Health and Human Services</u>	<u>Public Safety</u>	<u>Transportation and Highways</u>	<u>Education</u>	<u>Total</u>
\$ 2,797	\$ -	\$ -	\$ 311,586	\$ -	\$ 320,420
20	25,492	715	-	10	30,909
612	908	-	11,457	2,702	16,162
488	-	-	-	-	488
625	9,522	74	475	169,648	202,931
-	-	-	168,570	-	168,570
-	-	-	16,602	-	16,602
1,112	280	-	-	-	11,897
1,537	2,838	171	4,300	30,804	41,859
<u>7,191</u>	<u>39,040</u>	<u>960</u>	<u>512,990</u>	<u>203,164</u>	<u>809,838</u>
-	-	-	-	-	16,574
-	-	-	-	-	51,842
-	-	-	-	-	11,297
11,030	-	-	-	-	11,030
-	45,472	-	-	-	45,472
-	-	4,713	-	-	4,713
-	-	-	560,969	-	560,969
-	-	-	-	1,587,133	1,587,133
<u>11,030</u>	<u>45,472</u>	<u>4,713</u>	<u>560,969</u>	<u>1,587,133</u>	<u>2,289,030</u>
<u>(3,839)</u>	<u>(6,432)</u>	<u>(3,753)</u>	<u>(47,979)</u>	<u>(1,383,969)</u>	<u>(1,479,192)</u>
-	11,544	-	-	6,100	27,462
-	3	-	-	22	29,279
(1,555)	(11,884)	-	(31,707)	(825)	(212,269)
8,651	17,631	4,514	3,252	1,379,989	1,582,592
(1,495)	(5,414)	(124)	(197)	(10,683)	(18,875)
5,503	-	-	-	-	5,503
<u>11,104</u>	<u>11,880</u>	<u>4,390</u>	<u>(28,652)</u>	<u>1,374,603</u>	<u>1,413,692</u>
<u>7,265</u>	<u>5,448</u>	<u>637</u>	<u>(76,631)</u>	<u>(9,366)</u>	<u>(65,500)</u>
66,848	39,654	2,254	214,580	82,452	457,036
-	205	-	-	378	534
<u>66,848</u>	<u>39,859</u>	<u>2,254</u>	<u>214,580</u>	<u>82,830</u>	<u>457,570</u>
<u>\$ 74,113</u>	<u>\$ 45,307</u>	<u>\$ 2,891</u>	<u>\$ 137,949</u>	<u>\$ 73,464</u>	<u>\$ 392,070</u>

STATE OF NEW MEXICO

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

SPECIAL REVENUE FUNDS -

By Function

For the Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	Judicial			General Control		
	Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance
Revenues:						
General Fund Appropriations	\$ 5,777	\$ 5,777	\$ -	\$ 52,440	\$ 52,023	\$ (417)
Taxes	-	-	-	2,200	5,316	3,116
Charges for services	6,381	6,371	(10)	1,762	2,693	931
Federal funds	3,194	2,266	(928)	22,397	18,978	(3,419)
Interest on investments	-	49	49	51	453	402
Licenses, fees & permits	100	65	(35)	70	115	45
Interest and penalties	-	-	-	-	-	-
Other State Funds	669	503	(166)	294	650	356
Other financing sources	3,885	4,064	179	56,825	56,898	73
Total Revenues	20,006	19,095	(911)	136,039	137,126	1,087
Cash Balance Budgeted	1,247	1,247	-	3,930	3,922	(8)
Total Revenues & Cash Balance Budgeted	21,253	20,342	(911)	139,969	141,048	1,079
Expenditures:						
General government:						
Personal Services	4,202	3,636	566	613	605	8
Employee benefits	1,289	1,079	210	195	185	10
In- State travel	153	113	40	217	208	9
Maintenance and repairs	248	237	11	26	15	11
Materials and supplies	242	173	69	58	27	31
Contractual services	3,601	2,808	793	4,350	3,594	756
Operating costs	1,797	1,681	116	2,019	1,919	100
Other Costs	5,191	5,033	158	125,125	112,780	12,345
Out-of -State travel	71	50	21	8	7	1
Capital outlay	676	503	173	360	136	224
Other financing uses	3,783	3,216	567	6,998	21,527	(14,529)
Total expenditures	21,253	18,529	2,724	139,969	141,003	(1,034)
Excess (deficiency) of revenues and cash balance budgeted over expenditures	\$ -	\$ 1,813	\$ 1,813	\$ -	\$ 45	\$ 45

The notes to the financial statements are an integral part of this statements.

SCHEDULE 3

Regulation, Licensing and Economic Development			Cultural, Recreation, and Natural Resources			Health and Human Services		
Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance
\$ 6,675	\$ 7,025	\$ 350	\$ 4,759	\$ 2,509	\$ (2,250)	\$ 15,247	\$ 15,664	\$ 417
100	721	621	1,506	1,676	170	-	-	-
1,089	862	(227)	1,004	1,038	34	266	258	(8)
2,050	865	(1,185)	370	490	120	6,091	4,729	(1,362)
-	35	35	1,301	1,619	318	5	5	-
4,343	4,813	470	1,014	930	(84)	27,612	26,153	(1,459)
219	287	68	-	-	-	-	-	-
17	8	(9)	5,531	4,818	(713)	24,080	11,606	(12,474)
10,692	10,692	-	-	846	846	3	3	-
25,185	25,308	123	15,485	13,926	(1,559)	73,304	58,418	(14,886)
893	893	-	5,002	5,002	-	3,754	3,754	-
26,078	26,201	123	20,487	18,928	(1,559)	77,058	62,172	(14,886)
1,910	1,771	139	579	486	93	338	297	41
734	655	79	122	111	11	239	174	65
290	228	62	199	122	77	35	31	4
48	26	22	51	40	11	60	71	(11)
130	114	16	74	43	31	33	22	11
779	708	71	7,178	6,382	796	2,151	1,000	1,151
793	648	145	104	75	29	36,282	27,111	9,171
19,599	11,897	7,702	8,648	7,625	1,023	23,118	22,786	332
128	98	30	15	11	4	8	5	3
1,040	1,023	17	259	232	27	25	25	-
627	627	-	3,258	2,325	933	14,769	11,411	3,358
26,078	17,795	8,283	20,487	17,452	3,035	77,058	62,933	14,125
\$ -	\$ 8,406	\$ 8,406	\$ -	\$ 1,476	\$ 1,476	\$ -	\$ (761)	\$ (761)

STATE OF NEW MEXICO

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)

SPECIAL REVENUE FUNDS -

By Function

For the Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	Public Safety			Transportation and Highways		
			Favorable (Unfavorable)			Favorable (Unfavorable)
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
General Fund Appropriations	\$ 4,678	\$ 4,514	\$ (164)	\$ -	\$ -	\$ -
Taxes	-	-	-	300,000	311,586	11,586
Charges for services	-	-	-	-	-	-
Federal funds	-	-	-	204,974	185,647	(19,327)
Interest on investments	-	-	-	10,586	11,457	871
Licenses, fees & permits	-	-	-	-	-	-
Interest and penalties	-	-	-	-	-	-
Other State Funds	599	755	156	2,597	4,300	1,703
Other financing sources	105	203	98	-	-	-
Total Revenues	5,382	5,472	90	518,157	512,990	(5,167)
Cash Balance Budgeted	369	369	-	156,005	156,005	-
Total Revenues & Cash						
Balance Budgeted	5,751	5,841	90	674,162	668,995	(5,167)
Expenditures:						
General government:						
Personal Services	119	86	33	75,046	67,828	7,218
Employee benefits	57	49	8	28,396	25,348	3,048
In- State travel	35	27	8	11,582	11,250	332
Maintenance and repairs	38	21	17	4,739	4,576	163
Materials and supplies	38	26	12	26,262	26,149	113
Contractual services	739	347	392	441,483	439,683	1,800
Operating costs	113	109	4	10,901	10,785	116
Other Costs	4,260	4,123	137	41,325	40,032	1,293
Out-of-State travel	39	28	11	163	146	17
Capital outlay	313	277	36	14,725	14,666	59
Other financing uses	-	-	-	19,540	19,539	1
Total expenditures	5,751	5,093	658	674,162	660,002	14,160
Excess (deficiency) of revenues and cash balance budgeted over expenditures	\$ -	\$ 748	\$ 748	\$ -	\$ 8,993	\$ 8,993

The notes to the financial statements are an integral part of this statements.

SCHEDULE 3

Education			Totals		
Budget	Actual	Favorable (Unfavorable) Variance	Budget	Actual	Favorable (Unfavorable) Variance
\$ 1,384,502	\$ 1,385,502	\$ 1,000	\$ 1,474,078	\$ 1,473,014	\$ (1,064)
-	-	-	303,806	319,299	15,493
-	-	-	10,502	11,222	720
280,498	168,857	(111,641)	519,574	381,832	(137,742)
75	1,351	1,276	12,018	14,969	2,951
-	-	-	33,139	32,076	(1,063)
-	-	-	219	287	68
9,634	9,697	63	43,421	32,337	(11,084)
3,926	3,039	(887)	75,436	75,745	309
1,678,635	1,568,446	(110,189)	2,472,193	2,340,781	(131,412)
2,251	2,251	-	173,451	173,443	(8)
<u>1,680,886</u>	<u>1,570,697</u>	<u>(110,189)</u>	<u>2,645,644</u>	<u>2,514,224</u>	<u>(131,420)</u>
-	-	-	82,807	74,709	8,098
-	-	-	31,032	27,601	3,431
-	-	-	12,511	11,979	532
-	-	-	5,210	4,986	224
-	-	-	26,837	26,554	283
4,244	4,235	9	464,525	458,757	5,768
-	-	-	52,009	42,328	9,681
1,673,738	1,551,786	121,952	1,901,004	1,756,062	144,942
-	-	-	432	345	87
-	-	-	17,398	16,862	536
2,904	2,988	(84)	51,879	61,633	(9,754)
<u>1,680,886</u>	<u>1,559,009</u>	<u>121,877</u>	<u>2,645,644</u>	<u>2,481,816</u>	<u>163,828</u>
<u>\$ -</u>	<u>\$ 11,688</u>	<u>\$ 11,688</u>	<u>\$ -</u>	<u>\$ 32,408</u>	<u>\$ 32,408</u>

This page intentionally left blank.

DEBT SERVICE FUNDS

The debt service funds are used to account for the accumulation of resources for, and the payment of principal and interest on general long-term obligations and payments on certain lease-purchase or other contractual obligations of the State.

STATE OF NEW MEXICO
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 1998
(Amounts in Thousands)

	General Obligation Debt Service	Severance Tax Bonds Debt Service	Enhanced 911 Revenue Bonds Debt	EMNRD Revenue Bonds Debt
ASSETS				
Cash and cash equivalents	\$ 32,456	\$ 71,815	\$ 478	\$ 1,110
Receivables, net of allowance for uncollectables	973	1,145	4	-
Due from other agencies	8,784	13,560	233	-
Due from other funds	-	-	-	-
TOTAL ASSETS	\$ 42,213	\$ 86,520	\$ 715	\$ 1,110
LIABILITIES AND FUND BALANCES				
Liabilities:				
Payables	\$ 47	\$ 1,304	\$ -	\$ -
Due to other funds	-	2,077	255	-
Total Liabilities	47	3,381	255	-
Fund Balances:				
Unreserved - Designated for debt service	37,354	80,561	460	1,110
Unreserved - Designated for arbitrage rebates	4,812	2,578	-	-
Total Fund Balances	42,166	83,139	460	1,110
TOTAL LIABILITIES AND FUND BALANCES	\$ 42,213	\$ 86,520	\$ 715	\$ 1,110

The notes to the financial statements are an integral part of this statement.

SCHEDULE 4

Commissioner of Public Lands ONGARD Debt	Game and Fish Revenue Bonds Debt	NM State Fair Revenue Bonds Debt	NM State Highway Debentures Debt	NM Fin. Auth. Cigarette Tax Revenue Bonds Debt	Total
\$ 20	\$ 2,128	\$ -	\$ 11,565	\$ -	\$ 119,572
-	10	-	54	-	2,186
-	-	-	-	-	22,577
-	2	-	329	-	331
<u>\$ 20</u>	<u>\$ 2,140</u>	<u>\$ -</u>	<u>\$ 11,948</u>	<u>\$ -</u>	<u>\$ 144,666</u>
\$ -	\$ -	\$ -	\$ 455	\$ -	\$ 1,806
-	-	-	6,094	-	8,426
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,549</u>	<u>-</u>	<u>10,232</u>
20	2,140	-	5,399	-	127,044
-	-	-	-	-	7,390
<u>20</u>	<u>2,140</u>	<u>-</u>	<u>5,399</u>	<u>-</u>	<u>134,434</u>
<u>\$ 20</u>	<u>\$ 2,140</u>	<u>\$ -</u>	<u>\$ 11,948</u>	<u>\$ -</u>	<u>\$ 144,666</u>

STATE OF NEW MEXICO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

DEBT SERVICE FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	General Obligation Debt Service	Severance Tax Bonds Debt Service	Enhanced 911 Revenue Bonds Debt	EMNRD Revenue Bonds Debt
REVENUES:				
Interest and other investment income	\$ 4,815	\$ 5,427	\$ 105	\$ 140
Other	-	-	2,080	-
Federal funds	-	-	-	-
Total Revenues	<u>4,815</u>	<u>5,427</u>	<u>2,185</u>	<u>140</u>
EXPENDITURES:				
Principal	21,667	174,701	560	248
Interest payments	9,406	16,557	63	597
Other fiscal charges - insurance costs	50	1,045	3	-
Excess earnings rebates	-	-	-	-
Intergovernmental	-	-	-	148
Total Expenditures	<u>31,123</u>	<u>192,303</u>	<u>626</u>	<u>993</u>
Excess (deficiency) of revenues over expenditures	<u>(26,308)</u>	<u>(186,876)</u>	<u>1,559</u>	<u>(853)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of bonds and accrued interest	-	23,608	-	286
Operating transfers in:				
State property tax levy	28,228	-	-	-
Severance taxes - oil and gas	-	182,014	-	-
Capital projects - reversion	-	431	-	-
Other transfers	-	-	-	971
Total transfers in	<u>28,228</u>	<u>182,445</u>	<u>-</u>	<u>971</u>
Operating transfers (out):				
Severance Tax Permanent Fund	-	(71,076)	-	-
Capital Projects Fund and other	-	-	(1,534)	-
Total transfers (out)	<u>-</u>	<u>(71,076)</u>	<u>(1,534)</u>	<u>-</u>
Net Other Financing Sources (Uses)	<u>28,228</u>	<u>134,977</u>	<u>(1,534)</u>	<u>1,257</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>1,920</u>	<u>(51,899)</u>	<u>25</u>	<u>404</u>
Fund balances at the beginning of the year	<u>40,246</u>	<u>135,038</u>	<u>435</u>	<u>706</u>
Fund balances at the end of the year	<u>\$ 42,166</u>	<u>\$ 83,139</u>	<u>\$ 460</u>	<u>\$ 1,110</u>

The notes to the financial statements are an integral part of this statement.

SCHEDULE 5

Commissioner of Public Lands ONGARD Debt	Game and Fish Revenue Bonds Debt	New Mexico State Fair Revenue Bonds Debt	New Mexico State Highway Debentures Debt	New Mexico Finance Auth. Cigarette Tax Revenue Bonds Debt	Total
\$ 2	\$ 117	\$ -	\$ 28	\$ -	\$ 10,634
-	273	-	-	-	2,353
-	102	-	-	-	102
<u>2</u>	<u>492</u>	<u>-</u>	<u>28</u>	<u>-</u>	<u>13,089</u>
960	-	-	4,845	-	202,981
240	-	-	4,969	-	31,832
-	-	-	-	-	1,098
-	-	-	-	-	-
-	-	-	-	-	148
<u>1,200</u>	<u>-</u>	<u>-</u>	<u>9,814</u>	<u>-</u>	<u>236,059</u>
<u>(1,198)</u>	<u>492</u>	<u>-</u>	<u>(9,786)</u>	<u>-</u>	<u>(222,970)</u>
-	-	-	-	-	23,894
-	-	-	-	-	28,228
-	-	-	-	-	182,014
-	-	-	-	-	431
<u>1,200</u>	<u>-</u>	<u>-</u>	<u>10,144</u>	<u>-</u>	<u>12,315</u>
<u>1,200</u>	<u>-</u>	<u>-</u>	<u>10,144</u>	<u>-</u>	<u>222,988</u>
-	-	-	-	-	(71,076)
-	(456)	-	-	-	(1,990)
-	(456)	-	-	-	(73,066)
<u>1,200</u>	<u>(456)</u>	<u>-</u>	<u>10,144</u>	<u>-</u>	<u>173,816</u>
2	36	-	358	-	(49,154)
<u>18</u>	<u>2,104</u>	<u>-</u>	<u>5,041</u>	<u>-</u>	<u>183,588</u>
<u>\$ 20</u>	<u>\$ 2,140</u>	<u>\$ -</u>	<u>\$ 5,399</u>	<u>\$ -</u>	<u>\$ 134,434</u>

This page intentionally left blank.

CAPITAL PROJECTS FUNDS

Capital project funds are used to account for the financial resources to be used for the acquisition or construction of major State owned capital facilities and for capital assistance grants to local governments and public authorities.

STATE OF NEW MEXICO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
June 30, 1998
(Amounts in Thousands)

	<u>GSD Capital Improvement Projects</u>	<u>GSD Capitol Buildings Repair Fund</u>	<u>Game and Fish Capital Outlay</u>	<u>EMNRD Capital Improvements Projects Fund</u>
ASSETS				
Cash and cash equivalents	\$ 8	\$ 8,416	\$ 334	\$ 7,170
Receivables, net of allowance for uncollectibles	845	-	-	209
Due from other agencies	4,848	39	-	-
Due from other funds	5	-	-	100
Due from federal government	-	-	-	-
TOTAL ASSETS	\$ 5,706	\$ 8,455	\$ 334	\$ 7,479
LIABILITIES AND FUND BALANCES				
Liabilities:				
Payables	\$ 536	\$ 199	\$ 115	\$ 148
Accrued liabilities	-	-	-	-
Due to other agencies	328	-	-	-
Due to other funds	5	-	-	109
Deferred Revenue	4,818	-	-	-
Total Liabilities	5,687	199	115	257
Fund Balances:				
Reserved for encumbrances	3,876	-	204	2,126
Reserved for special projects	-	8,256	-	-
Unreserved - Designated for capital projects	(3,857)	-	15	5,096
Total Fund Balances	19	8,256	219	7,222
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,706	\$ 8,455	\$ 334	\$ 7,479

The notes to the financial statements are an integral part of this statement.

SCHEDULE 6

<u>NM Land Office Capital Projects</u>	<u>Department of Military Affairs and State Armory Capital Projects</u>	<u>Other Capital Improvement Projects</u>	<u>Highways Capital Projects</u>	<u>Total</u>
\$ 13	\$ 723	\$ 10,318	\$ -	\$ 26,982
-	-	525	-	1,579
-	2,044	209	-	7,140
-	23	101	12,479	12,708
-	325	531	-	856
<u>\$ 13</u>	<u>\$ 3,115</u>	<u>\$ 11,684</u>	<u>\$ 12,479</u>	<u>\$ 49,265</u>
\$ -	\$ 407	\$ 1,569	\$ -	\$ 2,974
-	-	4	-	4
-	-	1,831	-	2,159
-	23	599	-	736
-	7	8,464	-	13,289
-	437	12,467	-	19,162
-	1,424	5,891	12,000	25,521
13	-	(98)	479	8,650
-	1,254	(6,576)	-	(4,068)
<u>13</u>	<u>2,678</u>	<u>(783)</u>	<u>12,479</u>	<u>30,103</u>
<u>\$ 13</u>	<u>\$ 3,115</u>	<u>\$ 11,684</u>	<u>\$ 12,479</u>	<u>\$ 49,265</u>

STATE OF NEW MEXICO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

CAPITAL PROJECTS FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	<u>GSD Capital Improvement Projects</u>	<u>GSD Capitol Buildings Repair Fund</u>	<u>Game and Fish Capital Outlay</u>	<u>EMNRD Capital Improvements Projects Fund</u>
REVENUES:				
Interest income	\$ -	\$ -	\$ -	\$ 259
Other income	15,739	3,910	-	395
State General Fund Appropriations	-	-	-	-
Federal Funds	-	-	-	157
Taxes	-	-	-	2,529
Total Revenues	<u>15,739</u>	<u>3,910</u>	<u>-</u>	<u>3,340</u>
EXPENDITURES:				
General and administrative	384	264	66	-
Capital outlay	15,243	4,377	179	4,582
Total Expenditures	<u>15,627</u>	<u>4,641</u>	<u>245</u>	<u>4,582</u>
Excess (deficiency) of revenues over expenditures	<u>112</u>	<u>(731)</u>	<u>(245)</u>	<u>(1,242)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of bonds	-	2,309	-	4,324
Operating transfers in	-	-	456	-
Operating transfers (out)	-	-	-	(1,337)
Other sources (uses)	(1,445)	-	-	-
Reversions	-	-	-	(28)
Net Other Financing Sources (Uses)	<u>(1,445)</u>	<u>2,309</u>	<u>456</u>	<u>2,959</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(1,333)</u>	<u>1,578</u>	<u>211</u>	<u>1,717</u>
Fund balance at beginning of year, as previously reported	30,404	6,678	8	5,505
Prior period adjustments (note #7)	<u>(29,052)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at the beginning of the year, restated	<u>1,352</u>	<u>6,678</u>	<u>8</u>	<u>5,505</u>
Fund balances at the end of the year	<u>\$ 19</u>	<u>\$ 8,256</u>	<u>\$ 219</u>	<u>\$ 7,222</u>

The notes to the financial statements are an integral part of this statement.

SCHEDULE 7

NM Land Office Capital Projects	Department of Military Affairs and State Armory Capital Projects	Other Capital Improvement Projects	Highways Capital Projects	Total
\$ 1	\$ -	\$ 47	\$ -	\$ 307
-	15	518	-	20,577
-	620	1,641	-	2,261
-	1,226	448	-	1,831
-	-	-	-	2,529
<u>1</u>	<u>1,861</u>	<u>2,654</u>	<u>-</u>	<u>27,505</u>
-	14	-	200	928
1	1,906	22,953	2	49,243
<u>1</u>	<u>1,920</u>	<u>22,953</u>	<u>202</u>	<u>50,171</u>
-	(59)	(20,299)	(202)	(22,666)
-	1,450	2,371	-	10,454
-	-	1	-	457
(23)	-	(5)	(10)	(1,375)
-	(2)	9,025	-	7,578
-	-	(45)	-	(73)
<u>(23)</u>	<u>1,448</u>	<u>11,347</u>	<u>(10)</u>	<u>17,041</u>
<u>(23)</u>	<u>1,389</u>	<u>(8,952)</u>	<u>(212)</u>	<u>(5,625)</u>
36	1,289	8,169	12,691	64,780
-	-	-	-	(29,052)
<u>36</u>	<u>1,289</u>	<u>8,169</u>	<u>12,691</u>	<u>35,728</u>
<u>\$ 13</u>	<u>\$ 2,678</u>	<u>\$ (783)</u>	<u>\$ 12,479</u>	<u>\$ 30,103</u>

This page intentionally left blank.

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises.

STATE OF NEW MEXICO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
June 30, 1998
(Amounts in Thousands)

	<u>New Mexico Magazine</u>	<u>Museum of New Mexico Press</u>	<u>New Mexico Industries for the Blind</u>
ASSETS			
Cash and cash equivalents	\$ 598	\$ -	\$ 115
Receivables, net of allowance for uncollectibles	571	175	69
Due from other agencies	-	-	73
Due from other funds	-	-	80
Inventories	292	416	223
Deferred charges and other assets	114	-	-
Fixed assets, net of depreciation	87	6	161
TOTAL ASSETS	\$ <u>1,662</u>	\$ <u>597</u>	\$ <u>721</u>
LIABILITIES, EQUITY, AND OTHER CREDITS			
Liabilities:			
Payables	\$ 148	\$ 297	\$ 18
Accrued liabilities	44	5	27
Due to other funds	11	-	83
Other obligations	48	7	18
Unearned premiums and subscriptions	1,546	-	-
Deferred revenue	27	-	-
Bonds payable	-	-	-
Total Liabilities	<u>1,824</u>	<u>309</u>	<u>146</u>
Equity and Other Credits:			
Contributed capital	100	-	766
Retained earnings	(262)	288	(191)
Total Equity and Other Credits	<u>(162)</u>	<u>288</u>	<u>575</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ <u>1,662</u>	\$ <u>597</u>	\$ <u>721</u>

The notes to the financial statements are an integral part of this statement.

SCHEDULE 8

<u>Corrections Industries</u>	<u>New Mexico State Fair Commission</u>	<u>Total</u>
\$ 1,760	\$ 1,245	\$ 3,718
621	82	1,518
8	-	81
118	-	198
845	-	1,776
-	25	139
<u>1,241</u>	<u>20,251</u>	<u>21,746</u>
<u>\$ 4,593</u>	<u>\$ 21,603</u>	<u>\$ 29,176</u>

\$ 137	\$ 3,045	\$ 3,645
76	166	318
38	-	132
99	72	244
-	-	1,546
-	1,252	1,279
-	2,591	2,591
<u>350</u>	<u>7,126</u>	<u>9,755</u>
1,581	4,079	6,526
<u>2,662</u>	<u>10,398</u>	<u>12,895</u>
<u>4,243</u>	<u>14,477</u>	<u>19,421</u>
<u>\$ 4,593</u>	<u>\$ 21,603</u>	<u>\$ 29,176</u>

STATE OF NEW MEXICO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

ENTERPRISE FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	<u>New Mexico Magazine</u>	<u>Museum of New Mexico Press</u>	<u>New Mexico Industries for the Blind</u>
OPERATING REVENUES:			
Licenses, fees, and permits	\$ -	\$ -	\$ -
Interest and other investment income	-	-	-
Intergovernmental	-	-	355
Other operating revenues	37	-	2
Sales income	4,416	671	57
Charges for services	-	-	-
Total Operating Revenues	<u>4,453</u>	<u>671</u>	<u>414</u>
OPERATING EXPENSES:			
General and administrative	4,329	636	405
Total Operating Expenses	<u>4,329</u>	<u>636</u>	<u>405</u>
Operating Income (Loss)	<u>124</u>	<u>35</u>	<u>9</u>
NONOPERATING REVENUES (EXPENSES):			
Nonoperating revenues	-	-	-
Nonoperating expenses and transfers	-	(70)	-
Net Nonoperating Revenues (Expenses) and transfers	<u>-</u>	<u>(70)</u>	<u>-</u>
Net Income (Loss)	<u>124</u>	<u>(35)</u>	<u>9</u>
Retained earnings at beginning of year, as previously reported	(43)	323	(200)
Prior year adjustments (note 7)	<u>(343)</u>	<u>-</u>	<u>-</u>
Retained earnings at the beginning of year, restated	<u>(386)</u>	<u>323</u>	<u>(200)</u>
Retained earnings at the end of the year	<u>\$ (262)</u>	<u>\$ 288</u>	<u>\$ (191)</u>

The notes to the financial statements are an integral part of this statement.

SCHEDULE 9

<u>Corrections Industries</u>	<u>New Mexico State Fair Commission</u>	<u>Total</u>
\$ -	\$ 10,929	\$ 10,929
-	76	76
-	-	355
-	2,070	2,109
4,407	1,209	10,760
-	-	-
<u>4,407</u>	<u>14,284</u>	<u>24,229</u>
4,154	12,522	22,046
<u>4,154</u>	<u>12,522</u>	<u>22,046</u>
<u>253</u>	<u>1,762</u>	<u>2,183</u>
263	-	263
-	-	(70)
<u>263</u>	<u>-</u>	<u>193</u>
<u>516</u>	<u>1,762</u>	<u>2,376</u>
2,146	8,636	10,862
-	-	(343)
<u>2,146</u>	<u>8,636</u>	<u>10,519</u>
<u>\$ 2,662</u>	<u>\$ 10,398</u>	<u>\$ 12,895</u>

STATE OF NEW MEXICO

COMBINING STATEMENT OF CASH FLOWS

ALL ENTERPRISE FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	New Mexico Magazine	Museum of New Mexico Press	New Mexico Industries for the Blind
Cash Flows from Operating Activities:			
Operating income (loss)	\$ 124	\$ 35	\$ 9
Adjustments to reconcile operating income to net cash provided by (use in) operating activities:			
Depreciation and amortization	28	7	17
Miscellaneous revenues (expenses)	28	-	(2)
(Increase) Decrease in Assets:			
Receivables	(27)	11	108
Inventories	(106)	18	(42)
Due from other funds	-	-	-
Prepaid items	(39)	-	-
Increase (Decrease) in Liabilities:			
Payables and accruals	(96)	2	(126)
Due to other funds	11	-	73
Deferred revenues	(1)	-	-
Advance from other funds and other liabilities	25	-	-
Compensated absences	-	(3)	1
Net cash provided by (used in) operating activities	(53)	70	38
Cash Flows from Noncapital Activities:			
Purchase/insurance of loans	-	-	-
Payments received on loans receivable	-	-	-
Contributions and intergovernmental revenues	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	(70)	-
Increase in contributed capital	-	-	-
Net cash provided by (used in) noncapital financing activities	-	(70)	-
Cash Flows from Capital and Related Financing Activities:			
Purchase of fixed assets	(7)	-	-
Proceeds from sale of fixed assets and bonds	-	-	-
Principal and interest paid on bonds, notes and leases	-	-	-
Net cash provided by (used in) capital and related financing activities	(7)	-	-
Cash Flows from Investing Activities:			
Interest on investments	-	-	-
Net cash provided by (used in) investing activities	-	-	-
Increase (decrease) in cash and cash equivalents	(60)	-	38
Cash and cash equivalents at the beginning of year	658	-	77
Cash and cash equivalent at the end of the year	\$ 598	\$ -	\$ 115

The notes to the financial statements are an integral part of this statement.

SCHEDULE 10

<u>Corrections Industries</u>	<u>New Mexico State Fair Commission</u>	<u>Total</u>
\$ 253	\$ 1,762	\$ 2,183
152	991	1,195
-	-	26
(192)	141	41
(76)	13	(193)
(40)	-	(40)
-	-	(39)
33	(581)	(768)
3	-	87
-	(791)	(792)
-	-	25
(13)	-	(15)
<u>120</u>	<u>1,535</u>	<u>1,710</u>
-	-	-
-	-	-
-	-	-
182	-	182
-	-	(70)
-	8	8
<u>182</u>	<u>8</u>	<u>120</u>
(166)	(160)	(333)
248	-	248
-	(1,463)	(1,463)
82	(1,623)	(1,548)
<u>67</u>	<u>-</u>	<u>67</u>
<u>67</u>	<u>-</u>	<u>67</u>
451	(80)	349
<u>1,309</u>	<u>1,325</u>	<u>3,369</u>
\$ <u>1,760</u>	\$ <u>1,245</u>	\$ <u>3,718</u>

This page intentionally left blank.

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the State on a cost-reimbursement basis.

STATE OF NEW MEXICO
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
June 30, 1998
(Amounts in Thousands)

	New Mexico Public School Insurance Authority	New Mexico Retirees Health Care Act	Office of Cultural Affairs Archaeological Studies	New Mexico Finance Authority
ASSETS				
Cash and cash equivalents	\$ 52,852	\$ 8,789	\$ -	\$ 5,505
Receivables, net of allowance for uncollectibles	491	3,045	30	295
Due from other agencies	-	-	1,214	-
Due from other funds	-	-	-	169
Inventories	-	-	-	-
Deferred charges and other assets	258	-	1	1,202
Investments held by others	-	98,757	-	-
Fixed assets, net of depreciation	620	377	57	22
TOTAL ASSETS	\$ 54,221	\$ 110,968	\$ 1,302	\$ 7,193
LIABILITIES, EQUITY, AND OTHER CREDITS				
Liabilities:				
Payables	\$ 681	\$ 81	\$ 1,225	\$ 86
Accrued liabilities	-	-	77	49
Due to other funds	-	-	-	2,037
Due to other governmental entities	-	-	-	-
Other obligations	-	-	52	6
Reserved for losses and loss adjustments	34,010	8,400	-	-
Unearned premiums and due to carrier	272	1,361	-	-
Bonds payable	-	-	-	4,800
Total Liabilities	34,963	9,842	1,354	6,978
Equity and Other Credits:				
Contributed capital	-	-	60	2,108
Retained earnings (deficit)	19,258	101,126	(112)	(1,893)
Total Equity and Other Credits	19,258	101,126	(52)	215
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 54,221	\$ 110,968	\$ 1,302	\$ 7,193

The notes to the financial statements are an integral part of this statement.

<u>New Mexico Risk Management</u>	<u>New Mexico State Purchasing</u>	<u>New Mexico GSD Information Systems</u>	<u>New Mexico GSD Transportation Services</u>	<u>Public Records Revolving Fund</u>	<u>Corporation Commission Reproduction and Aircraft</u>	<u>Total</u>
\$ 30,930	\$ 86	\$ 16,280	\$ 1,474	\$ 47	\$ 27	\$ 115,990
674	29	10,182	292	9	-	15,047
245	-	1	-	-	9	1,469
-	-	-	10	-	25	204
-	-	388	31	12	-	431
140,742	-	-	-	3	-	142,206
-	-	-	-	-	-	98,757
<u>181</u>	<u>45</u>	<u>19,063</u>	<u>4,255</u>	<u>105</u>	<u>-</u>	<u>24,725</u>
<u>\$ 172,772</u>	<u>\$ 160</u>	<u>\$ 45,914</u>	<u>\$ 6,062</u>	<u>\$ 176</u>	<u>\$ 61</u>	<u>\$ 398,829</u>
\$ 125,065	\$ 6	\$ 3,693	\$ 316	\$ 1	\$ -	\$ 131,154
97	10	498	69	-	-	800
29	-	1,104	-	-	110	3,280
1,544	-	-	-	-	-	1,544
89	12	714	34	-	-	907
-	-	-	-	-	-	42,410
-	-	-	-	-	-	1,633
-	-	-	-	-	-	4,800
<u>126,824</u>	<u>28</u>	<u>6,009</u>	<u>419</u>	<u>1</u>	<u>110</u>	<u>186,528</u>
2	172	13,188	5,430	61	-	21,021
45,946	(40)	26,717	213	114	(49)	191,280
<u>45,948</u>	<u>132</u>	<u>39,905</u>	<u>5,643</u>	<u>175</u>	<u>(49)</u>	<u>212,301</u>
<u>\$ 172,772</u>	<u>\$ 160</u>	<u>\$ 45,914</u>	<u>\$ 6,062</u>	<u>\$ 176</u>	<u>\$ 61</u>	<u>\$ 398,829</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
For The Fiscal Year Ended June 30, 1998
(Amounts in Thousands)

	New Mexico Public School Insurance Authority	New Mexico Retirees Health Care Act	Office of Cultural Affairs Archaeological Studies	New Mexico Finance Authority
OPERATING REVENUES:				
Charges for services	\$ 117,027	\$ -	\$ 2,330	\$ 236
Employee contributions	-	10,748	-	-
Employer contributions	-	21,496	-	-
Retiree contributions	-	24,159	-	-
Interest and other investment income	3,036	382	-	331
Other operating revenues	2,353	4,283	13	-
Total Operating Revenues	122,416	61,068	2,343	567
OPERATING EXPENSES:				
General and administrative	3,174	1,233	2,392	776
Benefits, claims and premiums	38,103	53,331	-	-
Losses	73,811	2,220	-	-
Total Operating Expenses	115,088	56,784	2,392	776
Operating Income (Loss)	7,328	4,284	(49)	(209)
NONOPERATING REVENUES (EXPENSES):				
Net Increase in Fair Value of Investments	-	17,697	-	-
Nonoperating revenues	-	-	-	1,562
Nonoperating expenses	-	-	-	(281)
Operating Transfers	-	-	(26)	(467)
Net Nonoperating Revenues (Expenses)	-	17,697	(26)	814
Net Income (Loss)	7,328	21,981	(75)	605
Retained earnings at the beginning of the year, as previously reported	11,930	79,145	(37)	(2,498)
Prior period adjustments (Note 7)	-	-	-	-
Retained earnings at the beginning of the year, restated	11,930	79,145	(37)	(2,498)
Retained earnings at the end of the year	\$ 19,258	\$ 101,126	\$ (112)	\$ (1,893)

The notes to the financial statements are an integral part of this statement.

New Mexico Risk Management	New Mexico State Purchasing	New Mexico GSD Information Systems	New Mexico GSD Transportation Services	Public Records Revolving Fund	Corporation Commission Reproduction and Aircraft	Total
\$ 39,372	\$ 408	\$ 48,578	\$ 2,590	\$ 98	\$ 72	\$ 210,711
-	-	-	-	-	-	10,748
-	-	-	-	-	-	21,496
-	-	-	-	-	-	24,159
11,155	-	-	-	-	-	14,904
700	-	86	217	2	-	7,654
<u>51,227</u>	<u>408</u>	<u>48,664</u>	<u>2,807</u>	<u>100</u>	<u>72</u>	<u>289,672</u>
70,228	405	39,442	3,215	77	-	120,942
-	-	-	-	-	-	91,434
-	-	-	-	-	-	76,031
<u>70,228</u>	<u>405</u>	<u>39,442</u>	<u>3,215</u>	<u>77</u>	<u>-</u>	<u>288,407</u>
(19,001)	3	9,222	(408)	23	72	1,265
-	-	-	-	-	-	17,697
-	-	3,300	2,280	-	-	7,142
(1)	-	(503)	(18)	-	-	(803)
(700)	(241)	(2,048)	838	-	(70)	(2,714)
<u>(701)</u>	<u>(241)</u>	<u>749</u>	<u>3,100</u>	<u>-</u>	<u>(70)</u>	<u>21,322</u>
<u>(19,702)</u>	<u>(238)</u>	<u>9,971</u>	<u>2,692</u>	<u>23</u>	<u>2</u>	<u>22,587</u>
65,648	198	16,746	(2,479)	91	(51)	168,693
-	-	-	-	-	-	-
<u>65,648</u>	<u>198</u>	<u>16,746</u>	<u>(2,479)</u>	<u>91</u>	<u>(51)</u>	<u>168,693</u>
<u>\$ 45,946</u>	<u>\$ (40)</u>	<u>\$ 26,717</u>	<u>\$ 213</u>	<u>\$ 114</u>	<u>\$ (49)</u>	<u>\$ 191,280</u>

STATE OF NEW MEXICO

COMBINING STATEMENT OF CASH FLOWS

ALL INTERNAL SERVICE FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	New Mexico Public School Insurance Authority	New Mexico Retiree Health Care Act	Office of Cultural Affairs Archaeological Studies	New Mexico Finance Authority
Cash Flows from Operating Activities:				
Operating income (loss)	\$ 7,328	\$ 21,981	\$ (49)	\$ (209)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation and amortization	33	30	33	16
Miscellaneous revenues (expenses)	582	2,220	-	-
(Increase) Decrease in Assets:				
Receivables	(84)	(593)	(361)	23
Inventories	-	-	-	-
Due from other funds	-	-	-	89
Prepaid items	15	-	-	-
Deferred charges	(35)	-	-	-
Increase (Decrease) in Liabilities:				
Payables and accruals	31	7	435	(3)
Due to other funds	-	-	-	(211)
Deferred revenues	-	(1,595)	-	-
Advance from other funds	-	-	-	-
Compensated absences	-	-	6	36
Net cash provided by (used in) operating activities	<u>7,870</u>	<u>22,050</u>	<u>64</u>	<u>(259)</u>
Cash Flows from Noncapital Activities:				
Purchase/insurance of loans	-	-	-	-
Payments received on loans receivable	30	-	-	-
Contributions and intergovernmental revenues	-	-	-	3,462
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(26)	(113)
Repayment of debt	-	-	-	(865)
Increase in contributed capital	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>30</u>	<u>-</u>	<u>(26)</u>	<u>2,484</u>
Cash Flows from Capital and Related financing activities:				
Purchase of fixed assets and other	-	(30)	(38)	(10)
Proceeds from sale of fixed assets and bonds	-	-	-	(30)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(30)</u>	<u>(38)</u>	<u>(40)</u>
Cash Flows from Investing Activities:				
Purchase of investments	-	(19,186)	-	-
Net cash provided by (used in) investing activities	<u>-</u>	<u>(19,186)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	7,900	2,834	-	2,185
Cash and cash equivalents at the beginning of year	44,952	5,955	-	3,320
Cash and cash equivalent at the end of year	<u>52,852</u>	<u>\$ 8,789</u>	<u>\$ -</u>	<u>\$ 5,505</u>

The notes to the financial statements are an integral part of this statements.

SCHEDULE 13

New Mexico Risk Management	New Mexico State Purchasing	New Mexico GSD Information Systems	New Mexico GSD Transportation Services	Public Records Revolving Fund	Corporation Commission Reproduction and Aircraft	Total
\$ (19,001)	\$ 3	\$ 9,222	\$ (408)	\$ 23	\$ 72	\$ 18,962
92	29	3,845	883	10	-	4,971
27	4	332	(25)	-	-	3,140
(1,065)	3	(2,204)	99	(4)	-	(4,186)
-	-	(1)	-	(3)	-	(4)
-	-	-	-	-	-	89
-	-	-	-	-	-	15
-	-	-	-	-	-	(35)
28,337	(1)	623	212	(8)	-	29,633
(81)	-	(26)	-	-	-	(318)
-	-	-	-	-	-	(1,595)
-	-	-	-	-	-	-
(1,568)	(5)	481	10	-	-	(1,040)
6,741	33	12,272	771	18	72	49,632
-	-	-	-	-	-	-
-	-	-	-	-	-	30
-	-	3,300	2,280	-	-	9,042
3,344	-	6,574	350	-	-	10,268
(3,756)	(56)	(1,824)	(527)	-	(70)	(6,372)
-	-	-	-	-	-	(865)
-	-	-	-	-	-	-
(412)	(56)	8,050	2,103	-	(70)	12,103
(51)	(48)	(13,636)	(2,556)	(21)	-	(16,390)
-	-	548	-	-	-	518
(51)	(48)	(13,088)	(2,556)	(21)	-	(15,872)
-	-	-	-	-	-	(19,186)
-	-	-	-	-	-	(19,186)
6,278	(71)	7,234	318	(3)	2	26,677
24,652	157	9,046	1,156	50	25	89,313
\$ 30,930	\$ 86	\$ 16,280	\$ 1,474	\$ 47	\$ 27	\$ 115,990

This page intentionally left blank.

TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Funds - to account for resources that the State holds as a trustee. Both the principal and earnings of expendable trust funds may be used for purposes allowed under the trust agreements.

Nonexpendable Trust Funds - to account for resources that the State holds as a trustee where the principal may not be expended.

Pension Trust Funds - These funds are used to account for the activities of the Public and Educational Employees Retirement Systems.

Investment Trust Funds - to account for cash, securities and other investments held in custody for participants in the NM State Treasurer's Investment Trust Funds and the State Investment Council External Investment Trust Funds.

Agency Funds - to account for resources that the State holds as an agent for individuals, private organizations, other governments and/or other funds.

STATE OF NEW MEXICO
COMBINING BALANCE SHEET
TRUST AND AGENCY FUNDS
June 30, 1998
(Amounts in Thousands)

	E X P E N D A B L E			
	Patient's Compensation Fund	Subsequent Injury Fund	Natural Resources Trustee Fund	N M Finance Authority Trust Funds
ASSETS				
Cash and cash equivalents	\$ 24,857	\$ 69	\$ 1	\$ 72,186
Receivables, net of allowance for uncollectibles	120	8	-	52,898
Due from other agencies	-	-	-	-
Due from other funds	3	1	2	2,026
Investments, at fair value	-	-	-	11,822
Investments held by others	-	-	-	-
Other assets	-	-	-	-
TOTAL ASSETS	\$ 24,980	\$ 78	\$ 3	\$ 138,932
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Payables	\$ 53	\$ 19	\$ -	\$ 298
Accrued liabilities	-	-	-	-
Due to other agencies	-	-	-	14,992
Due to other funds	-	-	-	119
Due to other governmental entities	-	-	-	-
Advances from others	-	-	-	-
Funds held for others	-	-	-	19,305
Other obligations	-	-	-	-
Undistributed income	-	-	-	-
Investments held for others	-	-	-	-
Available for appropriation for others	-	-	-	-
Bonds payable	-	-	-	91,941
Total Liabilities	53	19	-	126,655
Equity and Other Credits:				
Net assets held in trust for pool participants	-	-	-	-
Net assets held in trust for pension benefits	-	-	-	-
Fund Balances:				
Reserved for encumbrances	3,838	59	-	-
Reserved for special projects	21,089	-	3	12,277
Reserved for unemployment benefits	-	-	-	-
Reserved for Permanent Fund beneficiaries	-	-	-	-
Reserved for other beneficiaries	-	-	-	-
Total Equity and Other Credits	24,927	59	3	12,277
TOTAL LIABILITIES, EQUITY				
AND OTHER CREDITS	\$ 24,980	\$ 78	\$ 3	\$ 138,932

The notes to the financial statements are an integral part of this statement.

SCHEDULE 14

		T R U S T		F U N D S					
Tutor/ Scholars Program Fund		Unemployment Insurance Trust		Children's Trust Fund		Hospitals and Medical Centers Trust Fund		Group Insurance Premium Stabilization Fund	
\$	5	\$	58	\$	354	\$	123	\$	19,235
	-		28,264		-		-		94
	-		-		-		-		-
	-		2		-		-		29
	-		-		-		-		-
	-		-		-		-		-
	-		454,210		-		6		-
<u>\$</u>	<u>5</u>	<u>\$</u>	<u>482,534</u>	<u>\$</u>	<u>354</u>	<u>\$</u>	<u>129</u>	<u>\$</u>	<u>19,358</u>
\$	-	\$	9,642	\$	50	\$	-	\$	1,745
	-		-		2		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		17		-		-		-
	-		389		-		-		-
	-		58		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		10,106		52		-		1,745
	-		-		-		-		-
	-		-		-		-		-
	-		-		1		-		-
	5		-		301		6		17,613
	-		472,428		-		-		-
	-		-		-		-		-
	-		-		-		123		-
<u></u>	<u>5</u>	<u></u>	<u>472,428</u>	<u></u>	<u>302</u>	<u></u>	<u>129</u>	<u></u>	<u>17,613</u>
<u>\$</u>	<u>5</u>	<u>\$</u>	<u>482,534</u>	<u>\$</u>	<u>354</u>	<u>\$</u>	<u>129</u>	<u>\$</u>	<u>19,358</u>

STATE OF NEW MEXICO

COMBINING BALANCE SHEET (CONTINUED)

TRUST AND AGENCY FUNDS

June 30, 1998

(Amounts in Thousands)

NONEXPENDABLE

	State Permanent Fund	Severance Tax Permanent Fund	Bartlett Trust Fund	Children's Trust Fund
ASSETS				
Cash and cash equivalents	\$ 40,080	\$ 53,963	\$ 175	\$ 1,744
Receivables, net of allowance for uncollectibles	398,348	199,430	-	-
Due from other agencies	-	-	-	-
Due from other funds	268	134	-	-
Investments, at fair value	6,375,329	3,695,563	-	-
Investments held by others	-	-	-	-
Other assets	-	-	-	-
TOTAL ASSETS	\$ 6,814,025	\$ 3,949,090	\$ 175	\$ 1,744
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Payables	\$ 358,384	\$ 643,189	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other agencies	-	-	-	-
Due to other funds	-	-	-	-
Due to other governmental entities	-	-	-	-
Advances from others	-	-	-	-
Funds held for others	-	-	-	-
Other obligations	487	466	-	-
Undistributed income	-	-	-	-
Investments held for others	-	-	-	-
Available for appropriation for others	-	-	-	-
Bonds payable	-	-	-	-
Total Liabilities	358,871	643,655	-	-
Equity and Other Credits:				
Net assets held in trust for pool participants	-	-	-	-
Net assets held in trust for pension benefits	-	-	-	-
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for special projects	-	-	175	1,744
Reserved for unemployment benefits	-	-	-	-
Reserved for Permanent Fund beneficiaries	6,455,154	-	-	-
Reserved for other beneficiaries	-	3,305,435	-	-
Total Equity and Other Credits	6,455,154	3,305,435	175	1,744
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 6,814,025	\$ 3,949,090	\$ 175	\$ 1,744

The notes to the financial statements are an integral part of this statement.

SCHEDULE 14

T R U S T			F U N D S		
N M State Infrastructure Bank Fund	Eva Lou Kelly Scholarship Fund	Clean Water State Revolving Fund	Rural Infrastructure Revolving	N M Finance Authority Non-Expendable Trust Fund	Legislative Endowment Scholarship Fund
\$ 7,822	\$ 49	\$ 22,782	\$ 10,424	\$ 4,679	\$ 1,726
37	-	62,879	13,726	1,451	-
-	-	-	-	-	-
-	-	-	-	25	453
-	-	-	-	-	-
-	-	-	-	-	-
-	-	16	-	649	-
<u>\$ 7,859</u>	<u>\$ 49</u>	<u>\$ 85,677</u>	<u>\$ 24,150</u>	<u>\$ 6,804</u>	<u>\$ 2,179</u>
\$ -	\$ -	\$ -	\$ -	\$ 16	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	82	-	108	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	587	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	82	-	711	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	877	-	-
7,859	49	85,595	23,273	6,093	2,179
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,859</u>	<u>49</u>	<u>85,595</u>	<u>24,150</u>	<u>6,093</u>	<u>2,179</u>
<u>\$ 7,859</u>	<u>\$ 49</u>	<u>\$ 85,677</u>	<u>\$ 24,150</u>	<u>\$ 6,804</u>	<u>\$ 2,179</u>

STATE OF NEW MEXICO

COMBINING BALANCE SHEET (CONTINUED)

TRUST AND AGENCY FUNDS

June 30, 1998

(Amounts in Thousands)

	P E N S I O N			T R U S T	
	Public Employees' Retirement Fund	Judicial Retirement Fund	Magistrate Retirement Fund	Volunteer Firefighters Retirement	Educational Employees' Retirement
ASSETS					
Cash and cash equivalents	\$ 189,456	\$ 964	\$ 1,041	\$ 700	\$ 41,827
Receivables, net of allowance for uncollectibles	54,970	656	402	183	68,216
Due from other agencies	-	-	-	-	-
Due from other funds	51	24	-	-	-
Investments, at fair value	6,105,674	46,643	21,648	18,587	5,973,215
Investments held by others	-	-	-	-	-
Other assets	4,658	-	-	-	1,397
TOTAL ASSETS	\$ 6,354,809	\$ 48,287	\$ 23,091	\$ 19,470	\$ 6,084,655
LIABILITIES, EQUITY AND OTHER CREDITS					
Liabilities:					
Payables	\$ 13,845	\$ 277	\$ 119	\$ 104	\$ 2,087
Accrued liabilities	110	-	-	-	74
Due to other agencies	-	-	-	-	58
Due to other funds	24	29	17	5	-
Due to other governmental entities	-	-	-	-	-
Advances from others	-	-	-	-	-
Funds held for others	177	-	-	-	316
Other obligations	109	-	-	-	68
Undistributed income	-	-	-	-	-
Investments held for others	-	-	-	-	-
Available for appropriation for others	-	-	-	-	-
Bonds payable	-	-	-	-	-
Total Liabilities	14,265	306	136	109	2,603
Equity and Other Credits:					
Net assets held in trust for pool participants	-	-	-	-	-
Net assets held in trust for pension benefits	6,340,544	47,981	22,955	19,361	6,082,052
Fund Balances:					
Reserved for encumbrances	-	-	-	-	-
Reserved for special projects	-	-	-	-	-
Reserved for unemployment benefits	-	-	-	-	-
Reserved for Permanent Fund beneficiaries	-	-	-	-	-
Reserved for other beneficiaries	-	-	-	-	-
Total Equity and Other Credits	6,340,544	47,981	22,955	19,361	6,082,052
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 6,354,809	\$ 48,287	\$ 23,091	\$ 19,470	\$ 6,084,655

The notes to the financial statements are an integral part of this statement.

SCHEDULE 14

INVESTMENT TRUST FUNDS		A G E N C Y		
State Investment Council External Investment Trust Funds	N M State Treasurer's Investment Trust Funds	Allotment Related Funds	Federal Receipts Funds	Other Agency Funds
\$ 1,228	\$ 83,192	\$ 234,764	\$ 3	\$ 64,500
14,073	18,992	-	-	33,829
-	-	-	-	31,924
-	-	5,942	-	1,128
221,445	1,470,024	-	-	204,853
-	-	-	-	14,616
-	-	-	-	330,306
<u>\$ 236,746</u>	<u>\$ 1,572,208</u>	<u>\$ 240,706</u>	<u>\$ 3</u>	<u>\$ 681,156</u>
12,385	32,528	\$ -	\$ -	\$ 42,138
-	-	-	-	-
-	-	127,522	-	4,623
-	-	67	-	14,811
-	-	113,117	3	16,128
-	-	-	-	-
-	-	-	-	603,456
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>12,385</u>	<u>32,528</u>	<u>240,706</u>	<u>3</u>	<u>681,156</u>
224,361	1,539,680	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>224,361</u>	<u>1,539,680</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 236,746</u>	<u>\$ 1,572,208</u>	<u>\$ 240,706</u>	<u>\$ 3</u>	<u>\$ 681,156</u>

COMBINING BALANCE SHEET (CONTINUED)

SCHEDULE 14

TRUST AND AGENCY FUNDS

June 30, 1998

(Amounts in Thousands)

	Receipts Pending Distributions Funds	Suspense Related Funds	Total
ASSETS			
Cash and cash equivalents	\$ 4,759	\$ 394,851	\$ 1,277,617
Receivables, net of allowance for uncollectibles	8,334	3,609	960,519
Due from other agencies	14,807	220	46,951
Due from other funds	7,648	19,917	37,653
Investments, at fair value	-	-	24,144,803
Investments held by others	-	41,471	56,087
Other assets	-	8,907	800,149
TOTAL ASSETS	\$ 35,548	\$ 468,975	\$ 27,323,779
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Payables	\$ 18	\$ 19,492	\$ 1,136,389
Accrued liabilities	-	-	186
Due to other agencies	17,229	40,536	204,960
Due to other funds	10,671	282,000	307,933
Due to other governmental entities	-	78,816	208,081
Advances from others	-	-	389
Funds held for others	1,461	44,819	670,179
Other obligations	-	3,312	4,442
Undistributed income	-	-	-
Investments held for others	-	-	-
Available for appropriation for others	6,169	-	6,169
Bonds payable	-	-	91,941
Total Liabilities	35,548	468,975	2,630,669
Equity and Other Credits:			
Net assets held in trust for pool participants	-	-	1,764,041
Net assets held in trust for pension benefits	-	-	12,512,893
Fund Balances:			
Reserved for encumbrances	-	-	4,775
Reserved for special projects	-	-	178,261
Reserved for unemployment benefits	-	-	472,428
Reserved for Permanent Fund beneficiaries	-	-	6,455,154
Reserved for other beneficiaries	-	-	3,305,558
Total Equity and Other Credits	-	-	24,693,110
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 35,548	\$ 468,975	\$ 27,323,779

The notes to the financial statements are an integral part of this statement.

This page intentionally left blank.

STATE OF NEW MEXICO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

EXPENDABLE TRUST FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	Patient's Compensation Fund	Subsequent Injury Fund	Natural Resources Trustee Fund
REVENUES:			
Interest and other investment income	\$ 1,376	\$ 138	\$ -
Donations	-	-	-
Premium surcharges - insurance assessments	8,895	1	-
Taxes	-	-	-
Other	-	-	-
Charges for services	-	-	-
Total Revenues	10,271	139	-
EXPENDITURES:			
Claims	6,944	-	-
Insurance claims	-	411	-
Benefits	-	-	-
Other	-	-	-
Total Expenditures	6,944	411	-
Excess (deficiency) of revenues over expenditures	3,327	(272)	-
OTHER FINANCING SOURCES (USES):			
Operating transfers (out):			
State General Fund	-	-	-
Other Transfers	(120)	(2,419)	3
Net Other Financing Sources (Uses)	(120)	(2,419)	3
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	3,207	(2,691)	3
Fund balance at beginning of year, as previously reported	21,720	2,750	-
Prior period adjustments (note #7)	-	-	-
Fund balances at the beginning of the year, restated	21,720	2,750	-
Fund balances at the end of the year	\$ 24,927	\$ 59	\$ 3

The notes to the financial statements are an integral part of this statement.

New Mexico Finance Authority Trust Funds	Tutor/ Scholars Program Fund	Unemployment Insurance Trust Fund	Children's Trust Fund	Hospitals and Medical Centers Trust Fund	Group Insurance Premium Stabilization Fund	Total
\$ 5,040	\$ -	\$ 29,177	\$ -	\$ -	\$ 1,261	\$ 36,992
-	-	-	-	-	-	-
-	-	-	-	-	-	8,896
19,198	-	98,850	-	-	-	118,048
-	-	5,635	227	375	398	6,635
184	-	-	-	-	70,644	70,828
<u>24,422</u>	<u>-</u>	<u>133,662</u>	<u>227</u>	<u>375</u>	<u>72,303</u>	<u>241,399</u>
-	-	-	-	-	-	6,944
-	-	-	-	-	-	411
-	-	86,659	-	-	-	86,659
<u>5,329</u>	<u>-</u>	<u>-</u>	<u>355</u>	<u>411</u>	<u>73,414</u>	<u>79,509</u>
<u>5,329</u>	<u>-</u>	<u>86,659</u>	<u>355</u>	<u>411</u>	<u>73,414</u>	<u>173,523</u>
<u>19,093</u>	<u>-</u>	<u>47,003</u>	<u>(128)</u>	<u>(36)</u>	<u>(1,111)</u>	<u>67,876</u>
-	-	-	164	-	-	164
<u>(14,089)</u>	<u>-</u>	<u>374</u>	<u>-</u>	<u>-</u>	<u>(609)</u>	<u>(16,860)</u>
<u>(14,089)</u>	<u>-</u>	<u>374</u>	<u>164</u>	<u>-</u>	<u>(609)</u>	<u>(16,696)</u>
<u>5,004</u>	<u>-</u>	<u>47,377</u>	<u>36</u>	<u>(36)</u>	<u>(1,720)</u>	<u>51,180</u>
7,201	5	425,051	266	165	19,333	476,491
<u>72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72</u>
<u>7,273</u>	<u>5</u>	<u>425,051</u>	<u>266</u>	<u>165</u>	<u>19,333</u>	<u>476,563</u>
<u>\$ 12,277</u>	<u>\$ 5</u>	<u>\$ 472,428</u>	<u>\$ 302</u>	<u>\$ 129</u>	<u>\$ 17,613</u>	<u>\$ 527,743</u>

STATE OF NEW MEXICO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

NONEXPENDABLE TRUST FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	State Permanent Fund	Severance Tax Permanent Fund	Bartlett Trust Fund	Children's Trust Fund
OPERATING REVENUES:				
Interest and other investment income	\$ 270,213	\$ 126,248	\$ 11	-
Other operating revenues	-	-	-	117
Total Operating Revenues	270,213	126,248	11	117
OPERATING EXPENSES:				
Other operating expenses	-	-	22	-
Distribution of income	240,366	136,307	-	-
Total Operating Expenses	240,366	136,307	22	-
Operating Income (Loss)	29,847	(10,059)	(11)	117
NONOPERATING REVENUES (EXPENSES) AND TRANSFERS:				
Net increase in fair value of investments	874,751	427,271	-	-
Proceeds from sale of bonds	-	-	-	-
Nonoperating revenues	-	-	-	-
Nonoperating expenses	-	-	-	-
Transfers	127,756	71,925	-	-
Net Nonoperating Revenues (Expenses) and Transfers	1,002,507	499,196	-	-
Net Income (Loss)	1,032,354	489,137	(11)	117
Fund balance at the beginning of the year, as previously reported	4,060,464	2,282,819	186	1,627
Prior period adjustment (note #7)	1,362,336	533,479	-	-
Fund balances at the beginning of the year, restated	5,422,800	2,816,298	186	1,627
Fund balances at the end of the year	\$ 6,455,154	\$ 3,305,435	\$ 175	1,744

The notes to the financial statements are an integral part of this statement.

SCHEDULE 16

<u>N M State Infrastructure Bank Fund</u>	<u>Eva Lou Kelly Scholarship Fund</u>	<u>Clean Water State Revolving Fund</u>	<u>Rural Infrastructure Revolving Fund</u>	<u>N M Finance Authority Non-expendable Trust Fund</u>	<u>Legislative Endowment Scholarship Fund</u>	<u>Total</u>
\$ -	\$ 3	\$ 3,708	\$ 1,317	301	\$ -	\$ 401,801
-	-	-	-	-	-	117
-	3	3,708	1,317	301	-	401,918
-	1	189	292	62	-	566
-	-	-	-	-	-	376,673
-	1	189	292	62	-	377,239
-	2	3,519	1,025	239	-	24,679
-	-	-	-	-	-	1,302,022
-	-	-	-	-	-	-
5,824	-	886	-	123	679	7,512
-	-	-	-	-	-	-
2,035	-	-	-	25	-	201,741
7,859	-	886	-	148	679	1,511,275
7,859	2	4,405	1,025	387	679	1,535,954
-	47	81,298	23,125	5,706	1,500	6,456,772
-	-	(108)	-	-	-	1,895,707
-	47	81,190	23,125	5,706	1,500	8,352,479
<u>\$ 7,859</u>	<u>\$ 49</u>	<u>\$ 85,595</u>	<u>\$ 24,150</u>	<u>6,093</u>	<u>\$ 2,179</u>	<u>\$ 9,888,433</u>

STATE OF NEW MEXICO

COMBINING STATEMENT OF CASH FLOWS

ALL NON-EXPENDABLE TRUST FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	State Permanent Fund	Severance Tax Permanent Fund	Bartlett Trust Fund	Children's Trust Fund
Cash Flows from Operating Activities:				
Operating income (loss)	\$ -	\$ -	\$ (11)	117
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Net gain on sale of securities	-	-	-	-
Amortization of premiums and discounts	-	-	-	-
Miscellaneous revenues (expenses)	-	-	-	-
(Increase) Decrease in Assets:				
Receivables	-	-	1	-
Inventory	-	-	-	-
Due from other funds and other agencies	-	-	-	-
Increase (Decrease) in Liabilities:				
Payables and accruals	-	-	-	-
Due to other funds	-	-	-	-
Undistributed income due to beneficiaries	-	-	-	-
Net cash provided by (used in) operating activities	-	-	(10)	117
Cash Flows from Noncapital Activities:				
Purchase/insurance of loans	-	-	-	-
Payments received on loans receivable	-	-	-	-
Contributions and intergovernmental revenues	129,980	72,893	-	-
Operating transfers in	-	11,729	-	-
Operating transfers out	(242,859)	(137,409)	-	-
Loss on extinguishment of debt	-	-	-	-
Increase in contributed capital	-	-	-	-
Net cash provided by (used in) noncapital financing activities	(112,879)	(52,787)	-	-
Cash Flows from Capital and Related Financing Activities:				
Purchase of fixed assets	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Principal and interest paid on bonds, notes, and leases	-	-	-	-
Net cash provided by (used in) capital and related financing activities	-	-	-	-
Cash Flows from Investing Activities:				
Proceeds from sale of investments	6,985,939	4,284,024	-	-
Purchase of investments	(7,194,605)	(4,405,627)	-	-
Investment income	276,998	130,285	-	-
Net cash provided by (used in) investing activities	68,332	8,682	-	-
Increase (decrease) in cash and cash equivalents	(44,547)	(44,105)	(10)	117
Cash and cash equivalents at beginning of year	84,627	98,068	185	1,627
Cash and cash equivalents at the end of year	\$ 40,080	\$ 53,963	\$ 175	1,744

The notes to the financial statements are an integral part of this statement.

SCHEDULE 17

N M State Infrastructure Bank Fund	Eva Lou Kelly Scholarship Fund	Clean Water State Revolving Fund	Rural Infrastructure Revolving Fund	N M Finance Authority Non-expendable Trust Funds	Legislative Endowment Scholarship Fund	Total
\$ -	\$ 2	\$ 3,519	\$ 1,025	239	-	\$ 4,891
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	245	-	-	245
-	-	1,606	(1,284)	(92)	-	231
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	15	-	15
-	-	8	-	108	-	116
-	-	-	-	-	-	-
-	2	5,133	(14)	270	-	5,498
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,535	-	887	-	-	-	209,295
2,035	-	-	-	-	-	13,764
-	-	-	-	-	-	(380,268)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,570	-	887	-	-	-	(157,209)
-	-	-	-	62	-	62
-	-	-	-	-	-	-
-	-	-	-	(1,306)	-	(1,306)
-	-	-	-	-	-	-
-	-	-	-	(1,244)	-	(1,244)
-	20	-	-	-	226	11,270,209
-	-	-	-	-	-	(11,600,232)
252	-	-	-	-	-	407,535
252	20	-	-	-	226	77,512
7,822	22	6,020	(14)	(974)	226	(75,443)
-	27	16,762	10,438	5,653	1,500	218,887
\$ 7,822	\$ 49	\$ 22,782	\$ 10,424	4,679	1,726	\$ 143,444

STATE OF NEW MEXICO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

PENSION TRUST FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	Public Employees' Retirement Fund	Judicial Retirement Fund
OPERATING REVENUES:		
Employee contributions	\$ 113,693	\$ 346
Employer contributions	165,249	2,043
Interest and other investment income	908,326	1,978
Other operating revenues	2,393	-
Total Operating Revenues	1,189,661	4,367
OPERATING EXPENSES:		
General and administrative	12,913	13
Benefits and claims	212,130	2,794
Refunds	25,000	-
Total Operating Expenses	250,043	2,807
Operating Income (Loss)	939,618	1,560
NONOPERATING REVENUES (EXPENSES):		
Net increase in fair value of investments	93,410	6,469
Nonoperating revenues	1,750	-
Nonoperating expenses	-	-
Net Nonoperating Revenues (Expenses)	95,160	6,469
Net Income (Loss)	1,034,778	8,029
Fund balances at the beginning of the year, as previously reported	5,305,766	39,952
Prior period adjustments (Note 7)	-	-
Fund balance at beginning of year, restated	5,305,766	39,952
Fund balances at the end of the year	\$ 6,340,544	\$ 47,981

The notes to the financial statements are an integral part of this statement.

Magistrate Retirement Fund	Volunteer Firefighters Retirement	Educational Employees' Retirement	Total
\$ 164	\$ -	\$ 122,499	\$ 236,702
1,072	1,000	136,191	305,555
858	744	199,961	1,111,867
-	-	1,797	4,190
2,094	1,744	460,448	1,658,314
8	2	2,489	15,425
712	147	254,407	470,190
24	-	28,246	53,270
744	149	285,142	538,885
1,350	1,595	175,306	1,119,429
3,212	2,713	796,925	902,729
-	-	2,486	4,236
-	-	-	-
3,212	2,713	799,411	906,965
4,562	4,308	974,717	2,026,394
18,393	15,053	5,107,335	10,486,499
-	-	-	-
18,393	15,053	5,107,335	10,486,499
\$ 22,955	\$ 19,361	\$ 6,082,052	\$ 12,512,893

STATE OF NEW MEXICO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

SCHEDULE 19

AGENCY FUNDS - By Classification

For the Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	Balance July 1, 1997	Additions	Deductions	Balance June 30, 1998
ALLOTMENT RELATED FUNDS				
ASSETS:				
Cash and cash equivalents	\$ 182,611	\$ 140,794	\$ 88,641	\$ 234,764
Receivables, net of allowances	-	-	-	-
Due from other funds	70	6,045	173	5,942
TOTAL ASSETS	\$ 182,681	\$ 146,839	\$ 88,814	\$ 240,706
LIABILITIES:				
Due to other agencies	\$ 68,993	\$ 146,839	\$ 88,310	\$ 127,522
Due to other funds	571	-	504	67
Due to other governmental entities	113,117	-	-	113,117
Funds held for others	-	-	-	-
TOTAL LIABILITIES	\$ 182,681	\$ 146,839	\$ 88,814	\$ 240,706
FEDERAL RECEIPTS FUND				
ASSETS:				
Cash and cash equivalents	\$ -	\$ 1,334	\$ 1,331	\$ 3
Due from other funds	-	-	-	-
TOTAL ASSETS	\$ -	\$ 1,334	\$ 1,331	\$ 3
LIABILITIES:				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Due to other governmental entities	-	1,334	1,331	3
Funds held for others	-	-	-	-
TOTAL LIABILITIES	\$ -	\$ 1,334	\$ 1,331	\$ 3
OTHER AGENCY FUNDS				
ASSETS:				
Cash and cash equivalents	\$ 66,227	\$ 988,938	\$ 990,665	\$ 64,500
Receivables, net of allowance	35,990	138,060	140,221	33,829
Due from other agencies	27,990	33,729	29,795	31,924
Due from other funds	(161)	2,575	1,286	1,128
Other assets	135	399,077	68,906	330,306
Investments held by others	10,942	3,674	-	14,616
Investments, at fair value	340,823	52,374	188,344	204,853
TOTAL ASSETS	\$ 481,946	\$ 1,618,427	\$ 1,419,217	\$ 681,156
LIABILITIES:				
Payables	\$ 30,639	\$ 42,765	\$ 31,266	\$ 42,138
Due to other agencies	6,122	795,451	796,950	4,623
Due to other funds	20,181	43,580	48,950	14,811
Due to other governmental entities	16,081	14,728	14,681	16,128
Investments held for others	166,811	6,821	173,632	-
Funds held for others	242,112	715,082	353,738	603,456
TOTAL LIABILITIES	\$ 481,946	\$ 1,618,427	\$ 1,419,217	\$ 681,156

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)

SCHEDULE 19

AGENCY FUNDS - By Classification

For the Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	Balance July 1, 1997	Additions	Deductions	Balance June 30, 1998
RECEIPTS PENDING DISTRIBUTION OF FUNDS				
ASSETS:				
Cash and cash equivalents	\$ 12,819	\$ 771,061	\$ 779,121	\$ 4,759
Receivables, net of allowance	8,329	7,272	7,267	8,334
Due from other agencies	14,705	1,814	1,712	14,807
Due from other funds	8,233	79	664	7,648
TOTAL ASSETS	\$ 44,086	\$ 780,226	\$ 788,764	\$ 35,548
LIABILITIES:				
Payables	\$ 7	\$ 211	\$ 200	\$ 18
Due to other agencies	20,913	583,942	587,626	17,229
Due to other funds	16,867	108,478	114,674	10,671
Due to other governmental entities	-	4	4	-
Funds held for others	1,237	86,484	86,260	1,461
Available for appropriation for others	5,062	1,107	-	6,169
TOTAL LIABILITIES	\$ 44,086	\$ 780,226	\$ 788,764	\$ 35,548
SUSPENSE RELATED FUNDS				
ASSETS:				
Cash and cash equivalents	\$ 375,202	\$ 4,309,695	\$ 4,290,046	\$ 394,851
Receivables, net of allowance	3,015	129,280	128,686	3,609
Due from other agencies	501	10	291	220
Due from other funds	19,217	3,955	3,255	19,917
Other assets	3,205	24,622	18,920	8,907
Investments held by others	34,710	6,779	18	41,471
TOTAL ASSETS	\$ 435,850	\$ 4,474,341	\$ 4,441,216	\$ 468,975
LIABILITIES:				
Payables	\$ 24,434	\$ 117,807	\$ 122,749	\$ 19,492
Due to other agencies	39,596	3,056,611	3,055,671	40,536
Due to other funds	277,887	1,103,183	1,099,070	282,000
Due to other governmental entities	70,442	68,706	60,332	78,816
Other obligations	109	48,075	44,872	3,312
Funds held for others	23,382	79,959	58,522	44,819
TOTAL LIABILITIES	\$ 435,850	\$ 4,474,341	\$ 4,441,216	\$ 468,975

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)

SCHEDULE 19

AGENCY FUNDS - By Classification

For the Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	Balance July 1, 1997	Additions	Deductions	Balance June 30, 1998
TOTAL ASSETS AND LIABILITIES - ALL AGENCY FUNDS				
ASSETS:				
Cash and cash equivalents	\$ 636,859	\$ 6,211,822	\$ 6,149,804	\$ 698,877
Receivables, net of allowance	47,334	274,612	276,174	45,772
Due from other agencies	43,196	35,553	31,798	46,951
Due from other funds	27,359	12,654	5,378	34,635
Other Assets	3,340	423,699	87,826	339,213
Investments held by others	45,652	10,453	18	56,087
Investments, at fair value	340,823	52,374	188,344	204,853
TOTAL ASSETS	<u>\$ 1,144,563</u>	<u>\$ 7,021,167</u>	<u>\$ 6,739,342</u>	<u>\$ 1,426,388</u>
LIABILITIES:				
Payables	\$ 55,080	\$ 160,783	\$ 154,215	\$ 61,648
Due to other agencies	135,624	4,582,843	4,528,557	189,910
Due to other funds	315,506	1,255,241	1,263,198	307,549
Due to other governmental entities	199,640	84,772	76,348	208,064
Other obligations	109	48,075	44,872	3,312
Funds held for others	266,731	881,525	498,520	649,736
Investments held for others	166,811	6,821	173,632	-
Available for appropriation for others	5,062	1,107	-	6,169
TOTAL LIABILITIES	<u>\$ 1,144,563</u>	<u>\$ 7,021,167</u>	<u>\$ 6,739,342</u>	<u>\$ 1,426,388</u>

The notes to the financial statements are an integral part of this statement.

This page intentionally left blank.

GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed assets account group is used to account for fixed assets acquired or constructed for use by the State for general governmental purposes. These include all fixed assets except those accounted for by colleges, universities, internal service funds, and enterprise funds.

STATE OF NEW MEXICO**SCHEDULE OF GENERAL FIXED ASSETS—****SCHEDULE 20****By Source****June 30, 1998****(Amounts in Thousands)****General Fixed Assets:**

Land and improvements	\$ 61,244
Buildings and improvements	599,838
Furniture and fixtures	31,763
Vehicles and motorboats	161,417
Machinery and equipment	108,864
Library	4,811
Aircraft	1,878
Data processing equipment	128,896
Livestock and poultry	97
Land and Water rights	9,982
Construction in progress	85,950

Total General Fixed Assets \$ 1,194,740

Investment in General Fixed Assets:

General fund	\$ 552,509
Special revenue funds	193,154
Capital projects funds	302,693
Donations	2,552
Other	<u>143,832</u>

Total Investment in General Fixed Assets \$ 1,194,740

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO

SCHEDULE OF GENERAL FIXED ASSETS—

By Function

June 30, 1998

(Amounts in Thousands)

Function	Land and Improvements	Building Structures, and Improvements	Furniture and Fixtures	Vehicles and Motorboats
Legislative	\$ -	\$ 191	\$ 1,287	\$ -
Judicial	100	2,052	2,799	1,192
General government	2,862	415,403	3,624	3,089
Regulation, Licensing and economic development	2,414	8,230	925	3,023
Culture, recreation, and natural resources	51,674	31,960	2,645	10,640
Health and human services	357	43,096	4,340	11,346
Public Safety	10	70,716	1,093	13,998
Transportation and Highways	3,827	28,190	12,630	118,129
Education	-	-	2,420	-
Total General Fixed Assets Allocated to Function	\$ 61,244	\$ 599,838	\$ 31,763	\$ 161,417

Construction in Progress

Total General Fixed Assets

The notes to the financial statements are an integral part of this statement.

SCHEDULE 21

Machinery Equipment	Library	Aircraft	Data Processing Equipment	Livestock and Poultry	Land and Water Rights	Total
\$ 115	\$ 151	\$ -	\$ 115	\$ -	\$ -	\$ 1,859
17,830	4,537	-	3,007	-	-	31,517
9,534	23	-	16,122	-	-	450,657
4,596	4	-	4,245	-	-	23,437
19,698	40	549	51,896	8	9,982	179,092
28,524	8	-	30,757	80	-	118,508
13,297	35	1,329	7,705	9	-	108,192
12,630	-	-	12,630	-	-	188,036
2,640	13	-	2,419	-	-	7,492
<u>\$ 108,864</u>	<u>\$ 4,811</u>	<u>\$ 1,878</u>	<u>\$ 128,896</u>	<u>\$ 97</u>	<u>\$ 9,982</u>	<u>\$ 1,108,790</u>
						<u>85,950</u>
						<u>\$ 1,194,740</u>

This page intentionally left blank.

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

The general long-term obligations account group is used to account for the unmatured general long-term obligations of the State.

STATE OF NEW MEXICO**GENERAL LONG-TERM BONDED DEBT****Statement of Changes in General Long-Term Bonded Debt****For The Fiscal Year Ended June 30, 1998****(Amounts in Thousands)**

Issue	Dated	Maturity Date	Amount	Interest Rate
GENERAL OBLIGATION BONDS				
State Education Institutional Bonds:				
Capital Projects Series, 1993	03-01-93	03-01-03	\$ 80,500	2.75%-8.5%
Refunding Series 1993 - B	09-01-93	09-01-99	25,335	2.60%-3.70%
Capital Projects Series 1995	04-01-95	04-01-05	66,265	4.90%-6.10%
Capital Projects Series 1997	03-01-97	03-01-07	64,825	4.30%-5.50%
Total General Obligation Bonds				
SEVERANCE TAX BONDS				
Series 1991	09-01-91	09-01-01	24,660	5.70%-7.75%
Series 1992 - A	01-01-92	01-01-02	24,220	5.25%-8.25%
Series 1992 - B, Refunding	04-15-92	04-15-02	103,320	4.15%-5.30%
Series 1992 - C	07-01-92	07-01-02	54,618	4.875%-7.875%
Series 1993 - B	11-01-93	11-01-03	75,023	4.70%-7.0%
Series 1994 - B	08-01-94	08-01-04	92,038	4.80%-7.60%
Series 1995 - A	04-01-95	04-01-05	8,062	4.60%-6.90%
Series 1995 - B	11-01-95	11-01-05	58,340	4.40%-5.50%
Series 1996 - A	06-01-96	06-01-06	37,237	4.50%-5.375%
Series 1997-A Refunding	06-01-97	06-01-02	62,036	4.50%-5.50%
Series 1998-A Refunding	03-01-98	05-01-08	22,730	4.25%-5.00%
Series 1998-B	05-01-98	07-01-08	136,100	5.50%-4.75%
Series 1998-C	06-16-98	06-17-98	4,412	5.00%
Total Severance Tax Bonds				
REVENUE BONDS				
A. State Agencies				
NM Highway Debentures, Series 1993	12-15-93	12-15-03	50,000	3.80%-4.40%
NM State Fair Comm. Ref. & Imp. Bonds	07-01-93	07-01-03	3,500	5.00%-7.50%
Comm. of Public Lands ONGARD Bonds	Various	09-27-04	16,000	5.00%-9.50%
NM Enhanced 911 Revenue Bonds	07-01-92	07-01-99	3,590	5.35%-5.55%
NM Energy, Minerals and Natural Resources Rev. Bonds	Various	Various	12,012	3.00%-6.00%
NM Highway Bonds, Series 1996	12-15-96	12-15-11	100,000	4.2%
NM Finance Authority Revenue Bonds	Various	Various	111,716	3.80%-6.00%
Total Other State Agencies				
B. Higher Education:				
University of New Mexico	Various	Various	145,000	4.00%-7.90%
NM Highlands University	Various	Various	10,965	4.75%-7.7%
Western N M University	Various	Various	10,720	3.90%-7.7%
Eastern N M University	Various	Various	15,970	3.4%-10.125%
NM Institute of Mining & Technology	Various	Various	3,695	8.00%-10.00%
NM State University	Various	Various	93,750	3.40%-8.20%
Total Educational Institutions				
Total Revenue Bonds (1)				
TOTAL BONDED DEBT (1)				

(1) Does not include the bond issues of Colleges and Special Schools

The notes to the financial statements are an integral part of this statement.

SCHEDULE 22

Unpaid Balance June 30, 1997	Bonds Issued	Bonds Paid	Unpaid Balance June 30, 1998	Interest to Maturity	Total Debt Service Requirements
\$ 67,250	\$ -	\$ 9,000	\$ 58,250	\$ 7,315	\$ 65,565
12,800	-	6,505	6,295	116	6,411
60,420	-	6,162	54,258	10,468	64,726
64,825	-	-	64,825	14,701	79,526
<u>205,295</u>	<u>-</u>	<u>21,667</u>	<u>183,628</u>	<u>32,600</u>	<u>216,228</u>
16,838	-	16,838	-	-	-
16,500	-	16,500	-	-	-
18,345	-	18,345	-	-	-
43,580	-	43,580	-	-	-
52,305	-	15,080	37,225	4,395	41,620
77,040	-	40,505	36,535	3,843	40,378
7,909	-	3,134	4,775	663	5,438
53,980	-	4,985	48,995	9,718	58,713
37,237	-	11,322	25,915	4,218	30,133
62,036	-	-	62,036	4,770	66,806
-	22,730	-	22,730	5,543	28,273
-	136,100	-	136,100	38,903	175,003
-	4,412	4,412	-	-	-
<u>385,770</u>	<u>163,242</u>	<u>174,701</u>	<u>374,311</u>	<u>72,053</u>	<u>446,364</u>
32,160	-	4,845	27,315	3,652	30,967
2,850	-	259	2,591	742	3,333
4,020	-	960	3,060	192	3,252
1,150	-	560	590	64	654
7,203	4,569	248	11,524	6,630	18,154
100,000	-	-	100,000	27,201	127,201
75,855	23,926	3,040	96,741	45,004	141,745
<u>223,238</u>	<u>28,495</u>	<u>9,912</u>	<u>241,821</u>	<u>83,485</u>	<u>325,306</u>
130,617	-	5,666	124,951	84,357	209,308
8,840	-	215	8,625	3,276	11,901
6,740	-	130	6,610	4,243	10,853
8,655	-	760	7,895	1,773	9,668
2,870	-	125	2,745	2,025	4,770
58,519	-	3,856	54,663	22,291	76,954
<u>216,241</u>	<u>-</u>	<u>10,752</u>	<u>205,489</u>	<u>117,965</u>	<u>323,454</u>
439,479	28,495	20,664	447,310	201,450	648,760
<u>\$ 1,030,544</u>	<u>\$ 191,737</u>	<u>\$ 217,032</u>	<u>\$ 1,005,249</u>	<u>\$ 306,103</u>	<u>\$ 1,311,352</u>

STATE OF NEW MEXICO
GENERAL LONG-TERM BONDED DEBT
Schedule of Debt Service Requirements
June 30, 1998
(Amounts in Thousands)

Issue	E N D I N G		J U N E	
	1999		2000	
GENERAL OBLIGATION BONDS:				
State Education Institutional Bonds:				
Capital Projects Series 1993	\$	10,148	\$	14,394
Refunding Series 1993 - B		6,411		-
Capital Projects Series 1995		9,143		9,144
Capital Projects Series 1997		8,806		8,779
Total General Obligation Bonds		34,508		32,317
SEVERANCE TAX BONDS:				
Series 1993 - B		8,267		8,302
Series 1994 - B		10,144		10,112
Series 1995-A		1,088		1,086
Series 1995-B		7,393		7,331
Series 1996-A		6,159		6,154
Series 1997-A Refunding		28,526		17,356
Series 1998-A Refunding		1,008		1,118
Series 1998-B		4,252		17,076
Total Severance Tax Bonds		66,837		68,535
REVENUE BONDS:				
A. State Agencies:				
Commissioner of Public Lands ONGARD Bonds		966		541
NM State Fair Comm. Ref. & Imp. Bonds 1993		424		410
NM Highway Debentures Series 1993		6,201		6,195
NM Energy, Minerals and Natural Resources Rev. Bonds		1,000		1,002
NM Enhanced 911 Revenue Bonds		48		606
NM Highway Bonds Series 1996		9,310		9,351
NM Finance Authority Revenue Bonds		9,687		9,662
Total Other State Agencies		27,636		27,767
B. Higher Education:				
University of New Mexico		12,190		12,439
NM Highlands University		586		583
Western N M University		595		597
Eastern N M University		1,301		1,326
NM Institute of Mining & Technology		397		400
N M State University		7,552		7,586
Total Higher Education (1)		22,621		22,931
Total Revenue Bonds (1)		50,257		50,698
TOTAL DEBT SERVICE REQUIREMENTS	\$	151,602	\$	151,550

(1) Does not include the bond issues of Colleges and Special Schools

The notes to the financial statements are integral part of this statement.

SCHEDULE 23

3 0

<u>2001</u>		<u>2002</u>		<u>2003</u>		<u>Thereafter</u>	<u>Total</u>
\$	14,211	\$	13,824	\$	12,988	\$ -	\$ 65,565
	-		-		-	-	6,411
	9,191		9,237		9,286	18,725	64,726
	8,784		8,746		8,780	35,631	79,526
	<u>32,186</u>		<u>31,807</u>		<u>31,054</u>	<u>54,356</u>	<u>216,228</u>
	8,336		8,343		8,372	-	41,620
	10,077		10,045		-	-	40,378
	1,082		1,088		1,094	-	5,438
	7,298		7,307		7,322	22,062	58,713
	3,331		2,316		3,359	8,814	30,133
	11,546		9,378		-	-	66,806
	1,118		1,118		10,966	12,945	28,273
	17,077		17,075		17,077	102,446	175,003
	<u>59,865</u>		<u>56,670</u>		<u>48,190</u>	<u>146,267</u>	<u>446,364</u>
	763		982		-	-	3,252
	420		404		412	1,263	3,333
	6,195		6,190		6,186	-	30,967
	1,003		1,005		1,001	13,143	18,154
	-		-		-	-	654
	9,402		9,465		9,532	80,141	127,201
	8,910		7,927		7,924	97,635	141,745
	<u>26,693</u>		<u>25,973</u>		<u>25,055</u>	<u>192,182</u>	<u>325,306</u>
	12,320		11,919		11,834	148,606	209,308
	990		989		992	7,761	11,901
	597		592		597	7,875	10,853
	1,279		1,235		1,341	3,186	9,668
	396		401		399	2,777	4,770
	7,575		6,856		6,848	40,537	76,954
	<u>23,157</u>		<u>21,992</u>		<u>22,011</u>	<u>210,742</u>	<u>323,454</u>
	49,850		47,965		47,066	402,924	648,760
\$	<u>141,901</u>	\$	<u>136,442</u>	\$	<u>126,310</u>	\$ <u>603,547</u>	\$ <u>1,311,352</u>

This page intentionally left blank.

COMPONENT UNITS

Component units are organizations that meet one of the following criteria: 1) they are legally separate from the State but the State is financially accountable for them; 2) their relationship with the State is such that exclusion would cause the State's financial statements to be misleading or incomplete.

UNIVERSITY FUNDS - are used to account for the operations of the following public institutions of higher education:

Eastern New Mexico University
New Mexico Highlands University
New Mexico Institute of Mining and
Technology
New Mexico State University
University of New Mexico
Western New Mexico University

Current Funds-Unrestricted—account for resources that higher education institutions may use for any purpose in carrying out their primary objectives.

Current Funds-Restricted—account for resources that donors or other outside individuals or entities have restricted for specific current operating purposes.

Loan Funds—account for gifts and grants which are limited by the terms of the donors for the purpose of making loans to students.

Endowment and Similar Funds—account for resources that are subject to the restrictions gifts instruments requiring in perpetuity that the principal be invested and the income only be utilized.

Plant Funds—account for resources that have been or are to be invested in property, plant and equipment, and funds reserved to retire debt incurred to finance facilities.

Agency Funds—account for resources held by the institutions acting as custodian or fiscal agent.

STATE OF NEW MEXICO
COMBINING BALANCE SHEET
UNIVERSITY FUNDS
JUNE 30, 1998
(Amounts in Thousands)

	C U R R E N T				
	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining and Tech.	Western New Mexico University
ASSETS					
Cash and cash equivalents	\$ 1,565	\$ 5,885	\$ 493	\$ 2,159	\$ 1,754
Receivables, net of allowance for uncollectibles	29,830	2,894	4,519	6,591	650
Due from other funds	14,072	831	2,250	7,500	-
Inventories	3,575	987	725	983	158
Deferred charges and other assets	1,888	432	153	-	162
Investments held by others	-	-	-	1,802	-
Fixed Assets, net of Depreciation	-	-	-	-	-
Investments, at fair value	10,168	-	300	100	-
TOTAL ASSETS	\$ 61,098	\$ 11,029	\$ 8,440	\$ 19,135	\$ 2,724
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payables	\$ 13,633	\$ 3,562	\$ 2,121	\$ 423	\$ 678
Due to other funds	14,072	831	2,185	2,540	-
Funds held for others	-	40	101	62	19
Accrued compensated absences	8,787	948	1,029	-	-
Deferred Revenues	6,144	808	1,714	228	331
Loaned equipment	-	-	-	-	-
Other obligations	-	-	-	6,714	-
Bonds payable	-	-	-	-	-
Total Liabilities	42,636	6,189	7,150	9,967	1,028
Fund Balances:					
Unrestricted	3,891	4,840	-	4,426	1,885
Restricted:					
Government grants, refundable	-	-	-	-	-
Government grants and contracts	-	-	-	-	-
State Investment Council	-	-	-	-	-
Other	14,571	-	1,290	4,742	(189)
Endowment	-	-	-	-	-
Term endowment	-	-	-	-	-
Designated - Quasi-endowment	-	-	-	-	-
Investment in fixed assets	-	-	-	-	-
Total Fund Balances	18,462	4,840	1,290	9,168	1,696
TOTAL LIABILITIES AND FUND BALANCES	\$ 61,098	\$ 11,029	\$ 8,440	\$ 19,135	\$ 2,724

The notes to the financial statements are an integral part of this statement.

F U N D S		S T U D E N T L O A N F U N D S							
University of New Mexico		New Mexico State University		Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining and Tech.	Western New Mexico University	University of New Mexico	Total
\$ 10,762	\$ 22,618	\$ 179	\$ 171	\$ 10	\$ 23	\$ (22)	\$ 442	\$ 803	
106,041	150,525	14,100	6,426	1,436	1,889	284	16,018	40,153	
5,387	30,040	-	-	-	-	-	-	-	
11,828	18,256	-	-	-	-	-	-	-	
3,406	6,041	-	-	-	-	-	-	-	
-	1,802	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
99,500	110,068	-	-	-	-	97	-	97	
<u>\$ 236,924</u>	<u>\$ 339,350</u>	<u>14,279</u>	<u>\$ 6,597</u>	<u>\$ 1,446</u>	<u>\$ 1,912</u>	<u>\$ 359</u>	<u>\$ 16,460</u>	<u>\$ 41,053</u>	
\$ 48,571	\$ 68,988	\$ 150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150	
-	19,628	-	-	12	-	-	-	12	
1,154	1,376	-	-	-	-	-	-	-	
18,801	29,565	-	-	-	-	-	-	-	
25,358	34,583	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
176	6,890	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
<u>94,060</u>	<u>161,030</u>	<u>150</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162</u>	
131,039	146,081	53	6,597	-	-	167	-	6,817	
-	-	14,076	-	-	-	-	16,460	30,536	
11,825	11,825	-	-	1,424	1,587	-	-	3,011	
-	-	-	-	-	-	-	-	-	
-	20,414	-	-	10	325	192	-	527	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
<u>142,864</u>	<u>178,320</u>	<u>14,129</u>	<u>6,597</u>	<u>1,434</u>	<u>1,912</u>	<u>359</u>	<u>16,460</u>	<u>40,891</u>	
<u>\$ 236,924</u>	<u>\$ 339,350</u>	<u>14,279</u>	<u>\$ 6,597</u>	<u>\$ 1,446</u>	<u>\$ 1,912</u>	<u>\$ 359</u>	<u>\$ 16,460</u>	<u>\$ 41,053</u>	

STATE OF NEW MEXICO
COMBINING BALANCE SHEET
UNIVERSITY FUNDS (CONTINUED)
JUNE 30, 1998
(Amounts in Thousands)

	E N D O W M E N T and S I M I L A R				
	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining and Tech.	Western New Mexico University
ASSETS					
Cash and cash equivalents	\$ 10	\$ -	\$ 52	\$ -	\$ 598
Receivables, net of allowance for uncollectibles	-	55	9	-	304
Due from other funds	-	-	-	-	-
Inventories	-	-	-	-	-
Deferred charges and other assets	-	-	-	567	-
Investments held by others	39,411	13,070	-	14,322	-
Fixed Assets, net of Depreciation	-	-	-	-	-
Investments, at fair value	200	-	1,737	2,012	372
TOTAL ASSETS	\$ 39,621	\$ 13,125	\$ 1,798	\$ 16,901	\$ 1,274
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payables	\$ 5	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	42	986	-
Funds held for others	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Deferred Revenues	-	-	-	-	-
Loaned equipment	-	-	-	-	-
Other obligations	-	-	-	-	-
Bonds payable	-	-	-	-	-
Total Liabilities	5	-	42	986	-
Fund Balances:					
Unrestricted	-	-	-	-	-
Restricted:					
Government grants, refundable	-	-	-	-	-
Government grants and contracts	-	-	-	-	-
State Investment Council	28,754	7,317	-	-	-
Other	-	55	-	-	-
Endowment	9,017	5,753	1,756	9,145	1,274
Term endowment	-	-	-	568	-
Designated - Quasi-endowment	1,845	-	-	6,202	-
Investment in fixed assets	-	-	-	-	-
Total Fund Balances	39,616	13,125	1,756	15,915	1,274
TOTAL LIABILITIES AND FUND BALANCES	\$ 39,621	\$ 13,125	\$ 1,798	\$ 16,901	\$ 1,274

The notes to the financial statements are an integral part of this statement.

F U N D S			A G E N C Y					F U N D S		
University of New Mexico		Total	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining and Tech.	Western New Mexico University	University of New Mexico	Total	
\$ 3,073	\$ 3,733	\$ 1,299	\$ 83	\$ -	\$ 360	\$ 94	\$ 579	\$ 2,415		
495	863	5,331	-	37	-	-	619	5,987		
-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-		
6,051	6,618	-	-	-	-	-	-	-		
108,689	175,492	-	-	-	17,949	-	-	17,949		
-	-	-	-	-	-	-	-	-		
175,769	180,090	2,498	-	-	-	-	12,000	14,498		
<u>\$ 294,077</u>	<u>\$ 366,796</u>	<u>\$ 9,128</u>	<u>\$ 83</u>	<u>\$ 37</u>	<u>\$ 18,309</u>	<u>\$ 94</u>	<u>\$ 13,198</u>	<u>\$ 40,849</u>		
\$ 920	\$ 925	\$ 1,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,069		
41,201	42,229	-	-	37	-	-	-	37		
-	-	3,670	83	-	18,309	94	13,198	35,354		
-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-		
-	-	4,389	-	-	-	-	-	4,389		
-	-	-	-	-	-	-	-	-		
<u>42,121</u>	<u>43,154</u>	<u>9,128</u>	<u>83</u>	<u>37</u>	<u>18,309</u>	<u>94</u>	<u>13,198</u>	<u>40,849</u>		
-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-		
108,689	144,760	-	-	-	-	-	-	-		
125	180	-	-	-	-	-	-	-		
85,963	112,908	-	-	-	-	-	-	-		
2,500	3,068	-	-	-	-	-	-	-		
54,679	62,726	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-		
<u>251,956</u>	<u>323,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
<u>\$ 294,077</u>	<u>\$ 366,796</u>	<u>\$ 9,128</u>	<u>\$ 83</u>	<u>\$ 37</u>	<u>\$ 18,309</u>	<u>\$ 94</u>	<u>\$ 13,198</u>	<u>\$ 40,849</u>		

STATE OF NEW MEXICO
COMBINING BALANCE SHEET
UNIVERSITY FUNDS (CONTINUED)
JUNE 30, 1998
(Amounts in Thousands)

	P L A N T			
	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining and Tech.
ASSETS				
Cash and cash equivalents	\$ 4,645	\$ 3,498	\$ 19	\$ 5,764
Receivables, net of allowance for uncollectibles	1,775	210	274	26
Due from other funds	-	455	539	319
Inventories	-	-	-	-
Deferred charges and other assets	261	-	302	-
Investments held by others	-	3,725	-	12,591
Fixed Assets, net of Depreciation	451,942	124,038	73,358	126,718
Investments, at fair value	23,781	-	893	3,999
TOTAL ASSETS	\$ 482,404	\$ 131,926	\$ 75,385	\$ 149,417
LIABILITIES AND FUND BALANCES				
Liabilities:				
Payables	\$ 6,548	\$ 256	\$ 331	\$ 459
Due to other funds	-	455	512	6,236
Funds held for others	-	-	-	-
Accrued compensated absences	-	-	-	-
Deferred Revenues	36	-	-	29
Loaned equipment	-	-	-	-
Other obligations	-	-	-	-
Bonds payable	54,663	7,895	8,625	2,745
Total Liabilities	61,247	8,606	9,468	9,469
Fund Balances:				
Unrestricted	22,653	-	-	15,960
Restricted:				
Government grants, refundable	-	-	-	-
Government grants and contracts	-	-	-	-
State Investment Council	-	-	-	-
Other	3,909	7,177	990	15
Endowment	-	-	-	-
Term endowment	-	-	-	-
Designated - Quasi-endowment	-	-	-	-
Investment in fixed assets	394,595	116,143	64,927	123,973
Total Fund Balances	421,157	123,320	65,917	139,948
TOTAL LIABILITIES AND FUND BALANCES	\$ 482,404	\$ 131,926	\$ 75,385	\$ 149,417

The notes to the financial statements are an integral part of this statement.

F U N D S						
Western New Mexico University	University of New Mexico	Total	Total Universities June 30, 1998	Total Component Units	Total All Funds June 30, 1998	Total All Funds June 30, 1997
\$ 617	\$ 874	\$ 15,417	\$ 44,986	\$ 9,640	\$ 54,626	\$ 84,486
917	1,208	4,410	201,938	12,130	214,068	222,722
-	-	1,313	31,353	41,205	72,558	31,973
-	-	-	18,256	16	18,272	18,758
-	-	563	13,222	2,424	15,646	13,815
-	10,607	26,923	222,166	1,623	223,789	171,341
60,309	810,796	1,647,161	1,647,161	9,454	1,656,615	1,582,728
-	35,946	64,619	369,372	19,000	388,372	347,349
<u>\$ 61,843</u>	<u>\$ 859,431</u>	<u>\$ 1,760,406</u>	<u>\$ 2,548,454</u>	<u>\$ 95,492</u>	<u>\$ 2,643,946</u>	<u>\$ 2,473,172</u>
\$ 178	\$ 987	\$ 8,759	\$ 79,891	\$ 906	\$ 80,797	\$ 81,704
-	-	7,203	69,109	5,387	74,496	61,867
-	-	-	36,730	-	36,730	29,757
-	-	-	29,565	-	29,565	26,371
-	-	65	34,648	841	35,489	39,560
-	18,988	18,988	18,988	-	18,988	8,627
-	700	700	11,979	11,098	23,077	19,381
6,610	124,951	205,489	205,489	-	205,489	216,241
6,788	145,626	241,204	486,399	18,232	504,631	483,508
454	28,254	67,321	220,219	33,981	254,200	240,336
-	-	-	30,536	-	30,536	36,975
-	18,693	18,693	33,529	-	33,529	33,884
-	-	-	144,760	-	144,760	116,279
997	-	13,088	34,209	203	34,412	31,163
-	-	-	112,908	36,652	149,560	121,658
-	-	-	3,068	690	3,758	3,409
-	-	-	62,726	5,734	68,460	60,265
53,604	666,858	1,420,100	1,420,100	-	1,420,100	1,345,695
55,055	713,805	1,519,202	2,062,055	77,260	2,139,315	1,989,664
<u>\$ 61,843</u>	<u>\$ 859,431</u>	<u>\$ 1,760,406</u>	<u>\$ 2,548,454</u>	<u>\$ 95,492</u>	<u>\$ 2,643,946</u>	<u>\$ 2,473,172</u>

STATE OF NEW MEXICO

COMBINING STATEMENT OF CHANGES IN FUND BALANCES

UNIVERSITY FUNDS

For the Fiscal Year Ended June 30, 1998

(Amount in Thousands)

	C U R R E N T				
	U n r e s t r i c t e d				
	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining & Tech.	Western New Mexico University
Revenues and other additions:					
Current funds revenues	\$ 205,871	\$ 40,861	\$ 26,450	\$ 33,199	\$ 17,238
Student fees	-	-	-	3,224	-
New Mexico State Appropriations	-	-	-	-	-
Government grants and contracts:					
Federal	-	-	-	-	87
State of New Mexico	-	-	-	231	-
Private gifts, grants and contracts	-	-	-	3	-
Investment income	-	-	-	1,263	-
Land & Permanent Fund income	-	-	-	-	-
Expended for plant facilities	-	-	-	-	-
Retirement of indebtedness	-	-	-	-	-
Issuance of University Bonds	-	-	-	-	-
Other additions	-	5,307	-	-	-
Federal & Local sources	-	-	-	-	-
Total revenues & other additions	<u>205,871</u>	<u>46,168</u>	<u>26,450</u>	<u>37,920</u>	<u>17,325</u>
Expenditures and other deductions:					
Educational and general expenditures	154,884	38,397	25,756	33,914	15,705
Auxiliary enterprises expenditures	23,105	5,230	-	-	923
Indirect cost recovered	-	-	-	-	-
Loan cancellations and write-offs	-	-	-	-	-
Administration costs	-	-	-	-	-
Expended for plant facilities	-	-	-	-	-
Additional indebtedness incurred	-	-	-	-	-
Losses on Investments	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Plant and equipment write-offs & disposals	-	-	-	-	-
Other deductions	13,956	-	-	-	-
Total expenditures & other deductions	<u>191,945</u>	<u>43,627</u>	<u>25,756</u>	<u>33,914</u>	<u>16,628</u>
Transfers from (to) other funds and other additions (deductions):					
Mandatory transfers	(4,415)	(950)	(23)	(275)	(454)
Nonmandatory transfers	(10,057)	(1,170)	(658)	(3,704)	(226)
Fund addition due to endowments	-	-	-	-	-
Other additions (deductions)	-	-	-	-	143
Total transfers & other additions (deductions)	<u>(14,472)</u>	<u>(2,120)</u>	<u>(681)</u>	<u>(3,979)</u>	<u>(537)</u>
Net increase (decrease) for the year	(546)	421	13	27	160
Fund balances at beginning of year	16,892	4,016	1,277	5,479	1,772
Fund balances at end of year	<u>\$ 16,346</u>	<u>\$ 4,437</u>	<u>\$ 1,290</u>	<u>\$ 5,506</u>	<u>\$ 1,932</u>
The notes to the financial statement are an integral part of this statements					

F U N D S

R e s t r i c t e d

University of New Mexico	Total	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining & Tech.	Western New Mexico University	University of New Mexico	Total
\$ 642,052	\$ 965,671	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,824	\$ 180,824
-	3,224	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	87	84,791	11,589	-	11,279	3,371	-	111,030
-	231	8,053	1,758	-	1,204	856	-	11,871
-	3	9,653	1,010	16,467	7,892	183	-	35,205
-	1,263	-	-	-	208	-	-	208
-	-	922	-	-	-	-	-	922
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	5,307	629	-	-	845	474	23,951	25,899
-	-	6,498	-	-	-	-	-	6,498
<u>642,052</u>	<u>975,786</u>	<u>110,546</u>	<u>14,357</u>	<u>16,467</u>	<u>21,428</u>	<u>4,884</u>	<u>204,775</u>	<u>372,457</u>
625,640	894,296	98,544	13,805	16,467	16,898	4,895	180,824	331,433
-	29,258	134	120	-	-	2	-	256
-	-	9,866	313	-	4,500	-	23,951	38,630
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	13,956	1,611	-	-	-	-	-	1,611
<u>625,640</u>	<u>937,510</u>	<u>110,155</u>	<u>14,238</u>	<u>16,467</u>	<u>21,398</u>	<u>4,897</u>	<u>204,775</u>	<u>371,930</u>
(100)	(6,217)	-	-	-	51	-	-	51
(15,981)	(31,796)	-	-	-	1,299	13	-	1,312
-	-	-	-	-	-	-	1,591	1,591
-	143	-	-	-	-	9	-	9
<u>(16,081)</u>	<u>(37,870)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,350</u>	<u>22</u>	<u>1,591</u>	<u>2,963</u>
331	406	391	119	-	1,380	9	1,591	3,490
130,708	160,144	1,725	284	-	2,282	(245)	10,234	14,280
<u>\$ 131,039</u>	<u>\$ 160,550</u>	<u>\$ 2,116</u>	<u>\$ 403</u>	<u>\$ -</u>	<u>\$ 3,662</u>	<u>\$ (236)</u>	<u>\$ 11,825</u>	<u>\$ 17,770</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF CHANGES IN FUND BALANCES (CONTINUED)
UNIVERSITY FUNDS
For the Fiscal Year Ended June 30, 1998
(Amount in Thousands)

	S T U D E N T L O A N				
	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining & Tech.	Western New Mexico University
Revenues and other additions:					
Current funds revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Student fees	-	-	-	-	-
New Mexico State Appropriations	-	-	-	-	-
Government grants and contracts:					
Federal	572	176	68	44	-
State of New Mexico	-	-	-	-	-
Private gifts, grants and contracts	1	-	-	-	-
Investment income	288	110	56	34	-
Land & Permanent Fund income	-	-	-	-	-
Expended for plant facilities	-	-	-	-	-
Retirement of indebtedness	-	-	-	-	-
Issuance of University Bonds	-	-	-	-	-
Other additions	74	244	82	10	58
Federal & Local sources	-	-	-	-	-
Total revenues & other additions	<u>935</u>	<u>530</u>	<u>206</u>	<u>88</u>	<u>58</u>
Expenditures and other deductions:					
Educational and general expenditures	-	-	-	-	-
Auxiliary enterprises expenditures	-	-	-	-	-
Indirect cost recovered	-	-	-	-	-
Loan cancellations and write-offs	317	270	87	27	-
Administration costs	1	89	29	-	-
Expended for plant facilities	-	-	-	-	-
Additional indebtedness incurred	-	-	-	-	-
Losses on Investments	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Plant and equipment write-offs & disposals	-	-	-	-	-
Other deductions	3	-	58	-	55
Total expenditures & other deductions	<u>321</u>	<u>359</u>	<u>174</u>	<u>27</u>	<u>55</u>
Transfers from (to) other funds and other additions (deductions):					
Mandatory transfers	178	59	23	25	7
Nonmandatory transfers	-	-	-	8	3
Fund addition due to endowments	-	-	-	-	-
Other additions (deductions)	-	-	-	-	14
Total transfers & other additions (deductions)	<u>178</u>	<u>59</u>	<u>23</u>	<u>33</u>	<u>24</u>
Net increase (decrease) for the year	792	230	55	94	27
Fund balances at beginning of year	13,337	6,367	1,379	1,818	332
Fund balances at end of year	<u>\$ 14,129</u>	<u>\$ 6,597</u>	<u>\$ 1,434</u>	<u>\$ 1,912</u>	<u>\$ 359</u>
The notes to the financial statement are an integral part of this statements					

F U N D S		ENDOWMENT AND SIMILAR FUNDS						
University of New Mexico	Total	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining & Tech.	Western New Mexico University	University of New Mexico	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	860	-	-	-	-	-	-	-
-	1	81	2	(66)	50	-	5,038	5,105
347	835	839	372	465	3,041	62	12,627	17,406
-	-	4,455	1,044	-	-	-	15,322	20,821
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,456	1,924	20	-	-	-	31	-	51
-	-	-	-	-	-	-	-	-
<u>1,803</u>	<u>3,620</u>	<u>5,395</u>	<u>1,418</u>	<u>399</u>	<u>3,091</u>	<u>93</u>	<u>32,987</u>	<u>43,383</u>
-	-	-	-	-	-	24	-	24
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,198	1,899	-	-	-	-	-	-	-
-	119	-	-	16	-	-	-	16
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	116	-	88	41	-	-	-	129
<u>1,198</u>	<u>2,134</u>	<u>-</u>	<u>88</u>	<u>57</u>	<u>-</u>	<u>24</u>	<u>-</u>	<u>169</u>
-	292	-	-	-	-	-	-	-
-	11	-	(250)	-	-	(13)	-	(263)
-	-	-	-	-	-	-	-	-
-	14	7,855	1,565	-	1,605	147	-	11,172
-	317	7,855	1,315	-	1,605	134	-	10,909
605	1,803	13,250	2,645	342	4,696	203	32,987	54,123
<u>15,855</u>	<u>39,088</u>	<u>26,366</u>	<u>10,480</u>	<u>1,414</u>	<u>11,219</u>	<u>1,071</u>	<u>218,969</u>	<u>269,519</u>
<u>\$ 16,460</u>	<u>\$ 40,891</u>	<u>\$ 39,616</u>	<u>\$ 13,125</u>	<u>\$ 1,756</u>	<u>\$ 15,915</u>	<u>\$ 1,274</u>	<u>\$ 251,956</u>	<u>\$ 323,642</u>

STATE OF NEW MEXICO
COMBINING STATEMENT OF CHANGES IN FUND BALANCES (CONTINUED)
UNIVERSITY FUNDS
For the Fiscal Year Ended June 30, 1998
(Amount in Thousands)

	P L A N T				
	U n e x p e n d e d				
	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining & Tech.	Western New Mexico University
Revenues and other additions:					
Current funds revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Student fees	-	58	-	-	-
New Mexico State Appropriations	1,816	-	-	-	-
Government grants and contracts:					
Federal	2,298	-	-	-	-
State of New Mexico	17	21	-	-	-
Private gifts, grants and contracts	65	122	536	-	1,707
Investment income	1,390	148	-	531	87
Land & Permanent Fund income	-	-	-	-	-
Expended for plant facilities	-	-	-	-	-
Retirement of indebtedness	303	-	-	-	-
Issuance of University Bonds	-	-	-	-	-
Other additions	393	618	-	415	-
Federal & Local sources	2,963	-	-	-	-
Total revenues & other additions	<u>9,245</u>	<u>967</u>	<u>536</u>	<u>946</u>	<u>1,794</u>
Expenditures and other deductions:					
Educational and general expenditures	-	-	-	-	-
Auxiliary enterprises expenditures	-	-	-	-	-
Indirect cost recovered	-	-	-	-	-
Loan cancellations and write-offs	-	-	-	-	-
Administration costs	-	-	-	-	-
Expended for plant facilities	8,975	3,747	695	3,894	5,890
Additional indebtedness incurred	-	-	-	-	-
Losses on Investments	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Plant and equipment write-offs & disposals	-	-	-	-	-
Other deductions	-	-	-	-	-
Total expenditures & other deductions	<u>8,975</u>	<u>3,747</u>	<u>695</u>	<u>3,894</u>	<u>5,890</u>
Transfers from (to) other funds and other additions (deductions):					
Mandatory transfers	-	332	-	-	-
Nonmandatory transfers	4,290	1,449	37	1,336	-
Fund addition due to endowments	-	-	-	-	-
Other additions (deductions)	-	-	-	-	-
Total transfers & other additions (deductions)	<u>4,290</u>	<u>1,781</u>	<u>37</u>	<u>1,336</u>	<u>-</u>
Net increase (decrease) for the year	4,560	(999)	(122)	(1,612)	(4,096)
Fund balances at beginning of year	8,661	6,625	452	2,011	4,263
Fund balances at end of year	<u>\$ 13,221</u>	<u>\$ 5,626</u>	<u>\$ 330</u>	<u>\$ 399</u>	<u>\$ 167</u>
The notes to the financial statement are an integral part of this statements					

FUND

Renewal and Replacement

University of New Mexico	Total	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining & Tech.	Western New Mexico University	University of New Mexico	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	58	-	-	-	-	-	-	-
17,161	18,977	-	-	-	-	-	-	-
-	2,298	-	-	-	-	-	-	-
-	38	-	-	-	-	-	-	-
1,728	4,158	-	-	-	-	-	-	-
2,000	4,156	24	-	-	-	23	509	556
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	303	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,723	4,149	78	-	10	4,976	74	-	5,138
-	2,963	-	-	-	-	-	-	-
<u>23,612</u>	<u>37,100</u>	<u>102</u>	<u>-</u>	<u>10</u>	<u>4,976</u>	<u>97</u>	<u>509</u>	<u>5,694</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
37,859	61,060	4,241	-	492	-	601	-	5,334
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>37,859</u>	<u>61,060</u>	<u>4,241</u>	<u>-</u>	<u>492</u>	<u>-</u>	<u>601</u>	<u>-</u>	<u>5,334</u>
-	332	-	-	-	-	397	100	497
11,403	18,515	5,758	-	450	4,635	75	(700)	10,218
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>11,403</u>	<u>18,847</u>	<u>5,758</u>	<u>-</u>	<u>450</u>	<u>4,635</u>	<u>472</u>	<u>(600)</u>	<u>10,715</u>
(2,844)	(5,113)	1,619	-	(32)	9,611	(32)	(91)	11,075
31,756	53,768	11,970	-	123	5,381	364	9,998	27,836
<u>\$ 28,912</u>	<u>\$ 48,655</u>	<u>\$ 13,589</u>	<u>\$ -</u>	<u>\$ 91</u>	<u>\$ 14,992</u>	<u>\$ 332</u>	<u>\$ 9,907</u>	<u>\$ 38,911</u>

STATE OF NEW MEXICO

COMBINING STATEMENT OF CHANGES IN FUND BALANCES (CONTINUED)

UNIVERSITY FUNDS

For the Fiscal Year Ended June 30, 1998

(Amount in Thousands)

	P L A N T				
	R e t i r e m e n t o f				
	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining & Tech.	Western New Mexico University
Revenues and other additions:					
Current funds revenues	\$ -	\$ 21	\$ -	\$ -	\$ 532
Student fees	-	502	523	306	-
New Mexico State Appropriations	-	-	-	-	-
Government grants and contracts:					
Federal	-	-	-	-	-
State of New Mexico	-	-	-	-	-
Private gifts, grants and contracts	-	-	-	-	-
Investment income	206	135	97	252	-
Land & Permanent Fund income	-	-	-	-	-
Expended for plant facilities	-	-	-	-	-
Retirement of indebtedness	-	-	-	-	-
Issuance of University Bonds	-	-	-	-	-
Other additions	2,801	-	-	-	-
Federal & Local sources	-	656	-	-	-
Total revenues & other additions	<u>3,007</u>	<u>1,314</u>	<u>620</u>	<u>558</u>	<u>532</u>
Expenditures and other deductions:					
Educational and general expenditures	-	-	-	-	-
Auxiliary enterprises expenditures	-	-	-	-	-
Indirect cost recovered	-	-	-	-	-
Loan cancellations and write-offs	-	-	-	-	-
Administration costs	-	2	-	-	-
Expended for plant facilities	-	-	-	-	-
Additional indebtedness incurred	-	-	-	-	-
Losses on Investments	-	-	-	-	-
Debt Service:					
Principal	3,856	760	215	125	130
Interest	3,459	497	1,175	300	521
Plant and equipment write-offs & disposals	-	-	-	-	-
Other deductions	185	-	-	-	-
Total expenditures & other deductions	<u>7,500</u>	<u>1,259</u>	<u>1,390</u>	<u>425</u>	<u>651</u>
Transfers from (to) other funds and other additions (deductions):					
Mandatory transfers	4,237	560	-	200	50
Nonmandatory transfers	8	-	1,257	(3,574)	148
Fund addition due to endowments	-	-	-	-	-
Other additions (deductions)	-	-	-	-	-
Total transfers & other additions (deductions)	<u>4,245</u>	<u>560</u>	<u>1,257</u>	<u>(3,374)</u>	<u>198</u>
Net increase (decrease) for the year	(248)	615	487	(3,241)	79
Fund balances at beginning of year	-	936	82	3,825	873
Fund balances at end of year	<u>\$ (248)</u>	<u>\$ 1,551</u>	<u>\$ 569</u>	<u>\$ 584</u>	<u>\$ 952</u>

The notes to the financial statement are an integral part of this statements

FUND

Indebtedness		Investment in Plant						
University of New Mexico	Total	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University	New Mexico Institute of Mining & Tech.	Western New Mexico University	University of New Mexico	Total
\$ -	\$ 553	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,038	4,369	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
56	56	25	-	-	-	-	-	25
584	1,274	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	19,490	1,689	-	5,413	6,565	41,783	74,940
2,998	2,998	5,122	830	-	125	-	-	6,077
6	6	-	-	-	-	-	-	-
382	3,183	-	-	-	-	-	-	-
-	656	-	-	2,798	-	-	-	2,798
<u>7,064</u>	<u>13,095</u>	<u>24,637</u>	<u>2,519</u>	<u>2,798</u>	<u>5,538</u>	<u>6,565</u>	<u>41,783</u>	<u>83,840</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
110	112	-	-	-	-	-	-	-
-	-	-	544	-	-	-	-	544
-	-	480	-	-	-	-	-	480
-	-	-	-	-	-	-	-	-
5,666	10,752	-	-	-	-	-	-	-
7,101	13,053	-	-	-	-	-	-	-
-	-	4,759	-	1,426	1,755	-	-	7,940
4	189	190	70	-	-	211	-	471
<u>12,881</u>	<u>24,106</u>	<u>5,429</u>	<u>614</u>	<u>1,426</u>	<u>1,755</u>	<u>211</u>	<u>-</u>	<u>9,435</u>
-	5,047	-	-	-	-	-	-	-
5,277	3,116	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>5,277</u>	<u>8,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(540)	(2,848)	19,208	1,905	1,372	3,783	6,354	41,783	74,405
8,668	14,384	375,387	114,238	63,555	120,190	47,250	625,075	1,345,695
<u>\$ 8,128</u>	<u>\$ 11,536</u>	<u>\$ 394,595</u>	<u>\$ 116,143</u>	<u>\$ 64,927</u>	<u>\$ 123,973</u>	<u>\$ 53,604</u>	<u>\$ 666,858</u>	<u>\$ 1,420,100</u>

STATE OF NEW MEXICO

COMBINING STATEMENT OF CHANGES IN FUND BALANCES (CONTINUED)

SCHEDULE 25

UNIVERSITY FUNDS

For the Fiscal Year Ended June 30, 1998

(Amount in Thousands)

	TOTALS			
	UNIVERSITY JUNE 30, 1998	COMPONENT UNITS	ALL FUNDS JUNE 30, 1998	ALL FUNDS June 30, 1997
Revenues and other additions:				
Current funds revenues	\$ 1,147,048	\$ 53,998	\$ 1,201,046	\$ 1,156,117
Student fees	7,651	-	7,651	7,862
New Mexico State Appropriations	18,977	-	18,977	12,832
Government grants and contracts:				
Federal	114,275	-	114,275	122,283
State of New Mexico	12,140	-	12,140	34,602
Private gifts, grants and contracts	44,553	508	45,061	26,061
Investment income	25,698	152	25,850	38,344
Land & Permanent Fund income	21,743	-	21,743	1,818
Expended for plant facilities	74,940	-	74,940	110,562
Retirement of indebtedness	9,378	-	9,378	9,771
Issuance of University Bonds	6	-	6	36,178
Other additions	45,651	-	45,651	42,292
Federal & Local sources	12,915	-	12,915	6,681
Total revenues & other additions	<u>1,534,975</u>	<u>54,658</u>	<u>1,589,633</u>	<u>1,605,403</u>
Expenditures and other deductions:				
Educational and general expenditures	1,225,753	41,919	1,267,672	1,212,711
Auxiliary enterprises expenditures	29,514	-	29,514	30,707
Indirect cost recovered	38,630	-	38,630	35,883
Loan cancellations and write-offs	1,899	-	1,899	1,368
Administration costs	247	25	272	607
Expended for plant facilities	66,938	-	66,938	93,620
Additional indebtedness incurred	480	-	480	6,083
Losses on Investments	-	-	-	-
Debt Service:				
Principal	10,752	-	10,752	10,083
Interest	13,053	-	13,053	12,215
Plant and equipment write-offs & disposals	7,940	-	7,940	36,539
Other deductions	16,472	405	16,877	19,583
Total expenditures & other deductions	<u>1,411,678</u>	<u>42,349</u>	<u>1,454,027</u>	<u>1,459,399</u>
Transfers from (to) other funds and other additions (deductions):				
Mandatory transfers	2	-	2	-
Nonmandatory transfers	1,113	-	1,113	-
Fund addition due to endowments	1,591	-	1,591	1,610
Other additions (deductions)	11,338	-	11,338	344
Total transfers & other additions (deductions)	<u>14,044</u>	<u>-</u>	<u>14,044</u>	<u>1,954</u>
Net increase (decrease) for the year	137,341	12,309	149,650	147,958
Fund balances at beginning of year	1,924,714	64,950	1,989,664	1,841,706
Fund balances at end of year	<u>\$ 2,062,055</u>	<u>\$ 77,259</u>	<u>\$ 2,139,314</u>	<u>\$ 1,989,664</u>
The notes to the financial statement are an integral part of this statements				

This page intentionally left blank.

STATE OF NEW MEXICO

**COMBINING STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES,
AND OTHER CHANGES - UNRESTRICTED (CONTINUED)**

UNIVERSITY FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	U N R E S T R I C T E D		
	NM State University	Eastern NM University	NM Highlands University
REVENUES:			
University:			
Student tuition and fees	\$ 34,097	\$ 7,438	\$ 3,873
State government appropriations	122,492	28,627	17,793
Federal grants and contracts	234	153	-
State governmental grants and contracts	28	1,086	-
Private gifts, grants, and contracts	252	527	103
Taxes	-	879	-
Interest	1,283	-	-
Land and Permanent Fund income	1,355	349	151
Indirect costs recovered	-	-	1,265
Sales and services	28,440	6,000	3,071
Medical practice plan	-	-	-
Other	15,313	1,109	194
Federal appropriations	-	-	-
Local appropriations, grants, and contracts	2,377	-	-
Total University	205,871	46,168	26,450
Independent Operations:			
Hospital operations	-	-	-
Mental health center	-	-	-
Psychiatric hospital	-	-	-
Office of the Medical Investigator	-	-	-
Carrie Tingley Hospital	-	-	-
Other	-	-	-
Total Independent Operations	-	-	-
Total Revenues	205,871	46,168	26,450
EXPENDITURES:			
University:			
Instruction	68,150	16,621	10,074
Academic support	13,772	3,050	2,051
Student services	8,088	4,623	1,968
Instructional support	16,331	4,454	3,176
Operation and maintenance of plant	15,946	4,283	3,101
Research	18,534	130	690
Public service	11,911	4,171	325
Internal service	(2,632)	-	2
Student aid/scholarships	2,151	1,053	236
Auxiliary enterprises	23,105	5,242	2,271
Intercollegiate athletics	6,735	-	1,561
Student social and cultural development	2,179	-	301
Total University	184,270	43,627	25,756

The notes to the financial statements are an integral part of this statement.

F U N D S

NM Inst. of Mining and Tech.		Western NM University		University of NM		Total
\$	3,224	\$	2,614	\$	53,979	\$ 105,225
	22,936		10,888		182,072	384,808
	-		71		231	689
	231		2		2,022	3,369
	3		-		2,407	3,292
	-		-		-	879
	1,263		-		1,651	4,197
	663		152		5,905	8,575
	4,118		-		23,951	29,334
	2,797		1,617		62,642	104,567
	-		-		3,289	3,289
	2,685		1,981		47,353	68,635
	-		-		-	-
	-		-		2,480	4,857
	37,920		17,325		387,982	721,716
	-		-		208,889	208,889
	-		-		16,913	16,913
	-		-		13,042	13,042
	-		-		2,857	2,857
	-		-		11,704	11,704
	-		-		665	665
	-		-		254,070	254,070
	37,920		17,325		642,052	975,786
	20,668		7,055		124,400	246,968
	-		1,445		23,778	44,096
	-		1,298		13,593	29,570
	-		2,150		24,347	50,458
	-		1,763		28,036	53,129
	5,007		24		29,441	53,826
	902		189		65,448	82,946
	102		129		(94)	(2,493)
	887		148		6,608	11,083
	2,745		923		37,558	71,844
	98		1,143		14,770	24,307
	184		361		3,972	6,997
	30,593		16,628		371,857	672,731

STATE OF NEW MEXICO

COMBINING STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES,
AND OTHER CHANGES - UNRESTRICTED (CONTINUED)

UNIVERSITY FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	U N R E S T R I C T E D		
	NM State University	Eastern NM University	NM Highlands University
EXPENDITURES (continued):			
Independent Operations:			
Hospital operations	-	-	-
Mental health center	-	-	-
Children's Psychiatric Hospital	-	-	-
Intern and resident program - private contracts	-	-	-
Office of the Medical Investigator	-	-	-
Carrie Tingley Hospital	-	-	-
Other	7,675	-	-
Total Independent Operations	7,675	-	-
Total Expenditures	191,945	43,627	25,756
TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS):			
Mandatory transfers	(4,415)	(950)	(23)
Nonmandatory transfers	-	(1,170)	(658)
Other additions (deductions)	(10,057)	-	-
Excess of restricted receipts over transfers to revenues	-	-	-
Total transfers and Other Additions (Deductions)	(14,472)	(2,120)	(681)
Net Increase (Decrease) in Fund Balance	\$ (546)	\$ 421	\$ 13

The notes to the financial statements are an integral part of this statement.

F U N D S			
NM Inst. of Mining and Tech.	Western NM University	University of NM	Total
-	-	212,219	212,219
-	-	17,498	17,498
-	-	10,970	10,970
-	-	814	814
-	-	2,822	2,822
		9,460	9,460
3,321	-	-	10,996
3,321	-	253,783	264,779
33,914	16,628	625,640	937,510
(275)	(454)	(100)	(6,217)
(3,704)	(226)	(15,981)	(21,739)
-	143	-	(9,914)
-	-	-	-
(3,979)	(537)	(16,081)	(37,870)
\$ 27	\$ 160	\$ 331	\$ 406

STATE OF NEW MEXICO

**COMBINING STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES,
AND OTHER CHANGES - RESTRICTED**

UNIVERSITY FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

	R E S T R I C T E D		
	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University
REVENUES:			
University:			
Federal grants and contracts	\$ 75,944	\$ 11,296	\$ 11,820
State governmental grants and contracts	7,924	1,749	4,222
Private gifts, grants, and contracts	8,474	880	425
Land and Permanent Fund income	820	-	-
Sales and services	122	-	-
Other	507	-	-
Federal appropriations	4,622	-	-
Local appropriations, grants, and contracts	1,877	-	-
Total University	100,290	13,925	16,467
Independent Operations:			
Hospital operations	-	-	-
Mental health center	-	-	-
Psychiatric hospital	-	-	-
Office of the Medical Investigator	-	-	-
Carrie Tingley Hospital	-	-	-
Intern/Resident programs - private contracts	-	-	-
Total Independent Operations	-	-	-
Total Revenues	100,290	13,925	16,467
EXPENDITURES:			
University:			
Instruction	8,241	1,623	1,956
Academic support	960	301	158
Student services	2,682	691	453
Instructional support	189	234	87
Operation and maintenance of plant	16	23	29
Research	53,521	78	4,040
Public service	12,926	3,223	6,818
Internal service	75	-	18
Student aid/scholarships	20,010	7,608	2,809
Auxiliary enterprises	134	144	75
Intercollegiate athletics	226	-	12
Student social and cultural development	20	-	12
Total University	99,000	13,925	16,467

The notes to the financial statements are an integral part of this statement.

F U N D S

New Mexico Institute of Mining and Technology	Western New Mexico University	University of New Mexico	Total
\$ 9,840	\$ 3,371	\$ 92,926	\$ 205,197
865	856	19,566	35,182
5,694	183	43,760	59,416
-	-	-	820
-	-	-	122
499	474	5,522	7,002
-	-	-	4,622
-	-	4,852	6,729
<u>16,898</u>	<u>4,884</u>	<u>166,626</u>	<u>319,090</u>
-	-	-	-
-	-	770	770
-	-	19	19
-	-	32	32
-	-	5	5
-	-	13,372	13,372
-	-	14,198	14,198
<u>16,898</u>	<u>4,884</u>	<u>180,824</u>	<u>333,288</u>
554	1,261	7,214	20,849
-	154	942	2,515
-	73	2,119	6,018
3,103	55	313	3,981
-	19	71	158
12,186	-	73,731	143,556
1	558	52,798	76,324
15	2	73	183
952	2,762	28,783	62,924
35	2	214	604
-	4	26	268
9	7	342	390
<u>16,855</u>	<u>4,897</u>	<u>166,626</u>	<u>317,770</u>

STATE OF NEW MEXICO

**COMBINING STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES,
AND OTHER CHANGES - RESTRICTED (CONTINUED)**

UNIVERSITY FUNDS

For The Fiscal Year Ended June 30, 1998

(Amounts in Thousands)

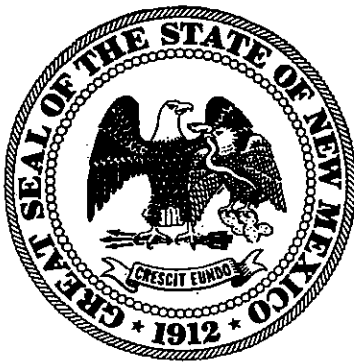
	R E S T R I C T E D		
	New Mexico State University	Eastern New Mexico University	New Mexico Highlands University
EXPENDITURES (continued):			
Independent Operations:			
Hospital operations	-	-	-
Mental health center	-	-	-
Children's Psychiatric Hospital	-	-	-
Intern / resident program - private contracts	-	-	-
Office of the Medical Investigator	-	-	-
Carrie Tingley Hospital	-	-	-
Other	1,290	-	-
Total Independent Operations	1,290	-	-
Total Expenditures	100,290	13,925	16,467
TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS):			
Mandatory transfers	-	-	-
Nonmandatory transfers	-	-	-
Other additions (deductions)	-	-	-
Excess of restricted receipts over transfers to revenues	391	119	-
Total transfers and Other Additions (Deductions)	391	119	-
Net Increase in Fund Balance	\$ 391	\$ 119	\$ -

The notes to the financial statements are an integral part of this statement.

F U N D S

<u>New Mexico Institute of Mining and Technology</u>	<u>Western New Mexico University</u>	<u>University of New Mexico</u>	<u>Total</u>
-	-	-	-
-	-	770	770
-	-	19	19
-	-	13,372	13,372
-	-	32	32
-	-	5	5
<u>43</u>	<u>-</u>	<u>-</u>	<u>1,333</u>
<u>43</u>	<u>-</u>	<u>14,198</u>	<u>15,531</u>
<u>16,898</u>	<u>4,897</u>	<u>180,824</u>	<u>333,301</u>
-	-	-	-
1,349	13	-	1,362
-	9	1,591	1,600
<u>31</u>	<u>-</u>	<u>-</u>	<u>541</u>
<u>1,380</u>	<u>22</u>	<u>1,591</u>	<u>3,503</u>
<u>\$ 1,380</u>	<u>\$ 9</u>	<u>\$ 1,591</u>	<u>\$ 3,490</u>

This page intentionally left blank.



**STATISTICAL
SECTION**

STATE OF NEW MEXICO**REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION****ALL FUND TYPES****For the Last Ten Fiscal Years****(Amounts in Thousands)**

	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
<u>Revenues by Source</u>				
Taxes	\$ 2,952,593	\$ 2,806,839	\$ 2,573,357	\$ 2,453,722
Licenses, fees and permits	76,376	70,649	61,594	89,153
Interest and other investment income	2,004,432	2,164,967	1,950,816	1,265,455
Rents and royalties	245,529	205,646	142,997	153,163
Charges for services	360,410	403,074	359,580	336,777
Intergovernmental	1,812,429	1,728,017	1,714,313	1,637,462
Contributions	598,660	572,371	555,495	508,373
Other sources	<u>250,649</u>	<u>252,330</u>	<u>204,831</u>	<u>172,632</u>
Total Revenues	<u>\$ 8,301,078</u>	<u>\$ 8,203,893</u>	<u>\$ 7,562,983</u>	<u>\$ 6,616,737</u>
<u>Expenditures by Function</u>				
Legislative	\$ 8,343	\$ 14,472	\$ 12,383	\$ 13,120
Judicial	108,975	104,803	95,756	86,538
General Control	1,754,206	1,496,887	1,384,824	1,287,330
Regulation and Licensing	74,277	71,554	77,572	72,997
Culture/Recreation and Natural Resources	123,888	117,389	138,033	119,949
Health and Human Services	2,150,013	2,168,603	2,059,712	2,032,363
Public Safety	224,811	222,355	220,444	197,796
Highway and Transportation	570,785	427,310	479,303	493,764
Education	<u>3,486,091</u>	<u>3,355,295</u>	<u>3,228,810</u>	<u>3,073,573</u>
Total Expenditures	<u>\$ 8,501,389</u>	<u>\$ 7,978,668</u>	<u>\$ 7,696,837</u>	<u>\$ 7,377,430</u>

1994	1993	1992	1991	1990	1989
\$ 2,068,971	\$ 2,009,918	\$ 1,821,009	\$ 2,327,476	\$ 2,221,914	\$ 2,106,633
61,453	23,902	30,213	167,620	238,056	224,199
1,291,176	1,334,000	1,309,202	757,697	784,351	733,071
155,998	143,725	107,740	-	-	-
309,675	254,358	84,740	28,354	285,749	265,157
1,544,256	326,316	119,216	776,067	760,255	874,763
466,188	413,501	479,677	272,404	314,308	348,909
189,676	229,980	87,682	318,980	275,962	265,432
<u>\$ 6,087,393</u>	<u>\$ 4,735,700</u>	<u>\$ 4,039,479</u>	<u>\$ 4,648,598</u>	<u>\$ 4,880,595</u>	<u>\$ 4,818,164</u>
\$ 13,071	\$ 13,136	\$ 17,887	\$ 10,157	\$ 10,386	\$ 7,973
74,299	64,621	56,663	57,921	49,123	47,541
1,271,894	1,100,014	1,013,553	93,679	94,706	84,019
66,165	42,567	40,605	39,415	27,271	29,527
103,762	67,248	58,368	77,881	73,358	87,301
1,815,876	493,685	433,216	842,756	414,032	317,326
172,029	148,909	139,580	132,366	126,862	126,267
468,676	442,236	355,036	279,973	323,874	443,683
2,925,239	2,581,065	1,500,388	41,223	926,321	607,714
<u>\$ 6,911,011</u>	<u>\$ 4,953,481</u>	<u>\$ 3,615,296</u>	<u>\$ 1,575,371</u>	<u>\$ 2,045,933</u>	<u>\$ 1,751,351</u>

STATE OF NEW MEXICO
SCHEDULE OF REVENUES
STATE GENERAL FUND
For The Last Five Fiscal Years
(Amounts in Thousands)

SCHEDULE 29

	1994	1995	1996	1997	1998
REVENUES:					
Taxes and License Fees:					
General and selective sales taxes:					
Gross receipts	\$ 889,683	\$ 935,266	\$ 985,826	\$ 1,035,246	\$ 1,085,543
Compensating	33,005	33,620	34,913	35,370	35,390
Tobacco (luxury)	18,401	18,917	20,052	19,386	19,505
Alcoholic beverage	28,246	33,654	35,346	34,660	34,044
Insurance	35,552	42,987	41,456	39,634	41,603
Fire protection	16,000	18,510	19,499	21,509	20,694
Public utilities	6,425	6,673	6,907	6,656	7,143
Racing	1,153	1,119	903	760	906
Private car	827	869	899	381	-
Motor vehicle excise tax	52,141	71,050	75,277	77,852	84,068
Boat excise tax and other	411	543	519	625	611
Lease and vehicle gross receipts & surcharg	5,978	8,305	7,608	7,866	7,919
Gasoline & Special Fuel Tax	45,201	17,560	1,005	-	-
Total general and selective sales taxes	1,133,023	1,189,073	1,230,210	1,279,945	1,337,426
Income Taxes:					
Personal income taxes:					
Gross Withholding	466,175	503,439	542,916	562,227	612,024
Final settlements	206,430	222,944	238,804	333,774	323,455
Less:					
Transfer - PIT suspense & others	(111,358)	(138,113)	(147,564)	(154,581)	(142,536)
Refunds - TAA suspense	(983)	(1,638)	(1,988)	(2,053)	(4,404)
Net personal income taxes	560,264	586,632	632,168	739,367	788,539
Corporate taxes	126,384	161,366	171,183	188,181	202,032
Less refunds	(3,856)	(11,023)	(7,779)	(17,435)	(22,002)
Net corporate income taxes	122,528	150,343	163,404	170,746	180,030
Estate taxes	11,448	8,962	10,066	17,857	12,067
Fiduciary taxes	2,442	1,923	2,405	4,986	8,664
Total income taxes	696,682	747,860	808,043	932,956	989,300
Severance taxes:					
Oil and gas school tax	119,225	103,602	102,222	151,363	153,679
7% oil conservation	7,070	6,166	6,503	7,941	8,667
Resources excise	8,770	10,513	9,611	8,433	8,752
Natural gas processors	6,199	8,028	24,736	13,885	12,843
Total severance taxes	141,264	128,309	143,072	181,622	183,941
Total taxes	1,970,969	2,065,242	2,181,325	2,394,523	2,510,667

STATE OF NEW MEXICO
SCHEDULE OF REVENUES
STATE GENERAL FUND
For The Last Five Fiscal Years
(Amounts in Thousands)

SCHEDULE 29

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Taxes and License Fees (continued):					
License Fees:					
Manufactured housing	907	882	908	937	769
Franchise	27	29	40	19	19
Corporate filing	2,116	2,131	2,347	2,316	2,396
Alcoholic beverages and gaming	3,405	3,659	3,665	3,772	4,318
Financial institutions	1,504	1,367	1,531	1,709	1,949
Corporate special	1,523	2,356	3,458	3,315	3,530
Construction industries	5,444	6,028	5,718	5,859	6,300
Regulation and licensing	-	-	-	-	-
Securities	6,327	6,640	7,638	8,604	9,761
Health facilities fees	70	72	76	79	93
Pipeline fees	72	102	38	53	66
Motor vehicles miscellaneous fees	1,919	2,261	1,199	500	649
State engineers fees	226	140	113	129	120
Non-taxable transaction cert.	435	2	-	-	-
Drivers training	78	-	-	-	-
Total license fees	<u>24,053</u>	<u>25,669</u>	<u>26,731</u>	<u>27,292</u>	<u>29,970</u>
Total taxes and license fees	<u>1,995,022</u>	<u>2,090,911</u>	<u>2,208,056</u>	<u>2,421,815</u>	<u>2,540,637</u>
Other Revenue Sources:					
Interest Earnings:					
Permanent fund income	212,410	204,522	203,011	207,417	211,103
Earnings on state balances	25,983	32,786	23,691	21,789	62,266
Severance tax income fund earnings	<u>133,931</u>	<u>131,172</u>	<u>132,093</u>	<u>133,634</u>	<u>136,307</u>
Total interest earnings	<u>372,324</u>	<u>368,480</u>	<u>358,795</u>	<u>362,840</u>	<u>409,676</u>
Rents and royalties:					
Federal mineral leasing	144,125	122,373	117,430	180,177	170,106
Land office	<u>11,429</u>	<u>9,796</u>	<u>13,159</u>	<u>12,607</u>	<u>15,578</u>
Total rents and royalties	<u>155,554</u>	<u>132,169</u>	<u>130,589</u>	<u>192,784</u>	<u>185,684</u>
Miscellaneous Receipts and Fees:					
Miscellaneous	-	-	-	468	59
Environment Department filing fees	-	-	-	297	298

STATE OF NEW MEXICO
SCHEDULE OF REVENUES
STATE GENERAL FUND
For The Last Five Fiscal Years
(Amounts in Thousands)

SCHEDULE 29

	1994	1995	1996	1997	1998
Miscellaneous Receipts and Fees (Continued):					
Local Government Investment Pool					
administrative fees	-	-	-	-	642
Tribal revenue sharing	-	-	-	-	18,722
Magistrate court costs	989	1,154	1,176	1,273	1,145
Metro court costs	361	330	297	289	578
MVD penalty assessments	6,866	6,434	7,090	5,268	5,205
Fines and forfeitures	6,104	6,538	7,081	7,191	7,259
Birth and death certificates	568	491	403	516	510
District judge receipts	837	914	1,210	1,191	1,088
Notary public fees	636	641	646	669	645
Court of appeals	44	40	55	56	54
Economic Development fees	28	30	-	-	-
Legislative receipts	50	82	63	77	50
Workmen's compensation fees	-	-	-	52	-
Payroll administration costs	45	34	32	21	35
Control substance abuse	37	4	(3)	-	-
Law enforcement protection	-	-	-	1,194	2,510
Small county assistance	1,550	1,924	3,056	2,227	2,352
Supreme court fees	34	30	21	16	18
Unclaimed property - FHA	-	119	-	-	-
Unclaimed property	-	2,175	6,524	1,768	6,362
Public Defender reimbursement	-	-	199	284	342
Small cities assistance	-	-	2,041	2,463	2,234
Public school insurance	-	-	5,000	-	-
Total miscellaneous receipts and fees	18,149	20,940	34,891	25,320	50,108
Other revenues:					
Court decisions	-	-	-	-	-
Transfers - reversions	19,084	18,768	22,386	-	-
Transfers - State Support Reserves	-	-	-	-	-
Misallocations	-	-	-	-	-
Transfers - Retire Health Care	-	-	-	-	-
Transfers - unclaimed property	-	-	-	-	-
Transfers - Approp. Contingency	-	-	-	-	-
Transfers - Economic Development	-	-	-	-	-
Total other revenues	19,084	18,768	22,386	-	-
Total other revenue sources	565,111	540,357	546,661	582,903	645,468
Total Revenues	\$ 2,560,133	\$ 2,631,268	\$ 2,754,717	\$ 3,004,718	3,186,105

STATE OF NEW MEXICO

ANALYSIS OF FUNDING PROGRESS

SCHEDULE 30

THE EDUCATIONAL RETIREMENT SYSTEM

For The Last Six Years Ending June 30, 1998

(Amount in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL) --Entry Age	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 1998	\$ 5,169,500	\$ 6,398,800	\$ 1,229,300	81%	\$ 1,542,800	80%
June 30, 1997	4,516,400	5,854,400	1,338,000	77	1,448,700	92
June 30, 1996	3,993,600	5,542,300	1,548,700	72	1,413,600	110
June 30, 1995	3,561,800	5,079,600	1,517,800	70	1,356,500	112
June 30, 1994	3,181,100	4,657,700	1,477,600	68	1,258,700	117
June 30, 1993	2,798,200	4,207,700	1,409,500	67	1,191,000	118

NOTE: AVA was set to the book value in the June 30, 1992 and 1993 actuarial valuations. It was changed to a smoothed market beginning with the June 30, 1994 valuation. Actuarial assumptions were changed as of June 30, 1994 and June 30, 1996.

STATE OF NEW MEXICO

ANALYSIS OF FUNDING PROGRESS

SCHEDULE 31

THE PUBLIC RETIREMENT SYSTEM

For The Last Six Years Ending June 30, 1998

(Amount in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL) --Entry Age	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 1998	\$ 5,487,475	\$ 6,000,439	\$ 512,964	91%	\$ 1,146,991	45%
June 30, 1997	4,560,312	5,558,679	998,367	82	1,102,082	91
June 30, 1996	3,845,138	5,054,258	1,209,120	76	1,098,636	110
June 30, 1995	3,364,452	4,646,242	1,281,790	72	1,043,575	123
June 30, 1994	2,974,816	3,976,512	1,001,696	75	943,330	106
June 30, 1993	2,696,511	3,561,050	864,539	76	909,242	95

Actuarial Value of Assets is the value of cash, investments and other property belonging to the pension plan used by the actuary for the purpose of valuation. The funding value of assets, which is used to derive the actuarial value of assets, recognizes assumed investment income fully each year. Differences between actual and assumed investment income are phased in over a closed four year period. During periods when investment performance exceeds the assumed rate, funding value of assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, funding value of assets will tend to be greater than market value. If assumed rates are exactly realized for three consecutive years, funding value will become equal to market value. For the valuation of assets, market value is used for fiscal year ended June 30, 1996 through 1998 and amortized cost is used for fiscal years ending June 30, 1993 through 1995.

Actuarial Accrued Liability is the portion of actuarial present value of total projected benefits which is not provided for by the future normal costs. Future normal costs is defined as that portion of the actuarial present value of total projected benefits which is allocated to a valuation year by the actuarial cost method.

Unfunded Actuarial Accrued Liability is the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

Source of information for this schedule were actuarial assumptions and audit reports. Expressing the actuarial value of assets as a percentage of actuarial accrued liability provides one indication of funding status on a going-concern basis. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll aids analysis of the progress made in accumulating sufficient assets to pay benefits when due.

STATE OF NEW MEXICO

ANALYSIS OF FUNDING PROGRESS

SCHEDULE 32

THE JUDICIAL RETIREMENT SYSTEM

For The Last Six Years Ending June 30, 1998

(Amount in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL) --Entry Age	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 1998	\$ 41,974	\$ 56,176	\$ 14,202	75%	\$ 6,644	256%
June 30, 1997	36,598	51,356	14,758	71	6,537	226
June 30, 1996	32,053	46,742	14,689	69	6,156	239
June 30, 1995	28,449	41,490	13,041	69	5,817	224
June 30, 1994	25,379	37,407	12,028	68	5,177	232
June 30, 1993	23,163	35,617	12,454	65	5,034	247

Actuarial Value of Assets is the value of cash, investments and other property belonging to the pension plan used by the actuary for the purpose of valuation. The funding value of assets, which is used to derive the actuarial value of assets, recognizes assumed investment income fully each year. Differences between actual and assumed investment income are phased in over a closed four year period. During periods when investment performance exceeds the assumed rate, funding value of assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, funding value of assets will tend to be greater than market value. If assumed rates are exactly realized for three consecutive years, funding value will become equal to market value. For the valuation of assets, market value is used for fiscal year ended June 30, 1996 through 1998 and amortized cost is used for fiscal years ending June 30, 1993 through 1995.

Actuarial Accrued Liability is the portion of actuarial present value of total projected benefits which is not provided for by the future normal costs. Future normal costs is defined as that portion of the actuarial present value of total projected benefits which is allocated to a valuation year by the actuarial cost method.

Unfunded Actuarial Accrued Liability is the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

Source of information for this schedule were actuarial assumptions and audit reports. Expressing the actuarial value of assets as a percentage of actuarial accrued liability provides one indication of funding status on a going-concern basis. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll aids analysis of the progress made in accumulating sufficient assets to pay benefits when due.

STATE OF NEW MEXICO

ANALYSIS OF FUNDING PROGRESS

SCHEDULE 33

THE MAGISTRATE RETIREMENT SYSTEM

For The Last Six Years Ending June 30, 1998

(Amount in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL) --Entry Age	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 1998	\$ 19,988	\$ 20,388	\$ 400	85%	\$ 2,471	74%
June 30, 1997	16,677	18,435	1,758	91	3,178	55
June 30, 1996	14,068	16,539	2,471	85	3,362	74
June 30, 1995	11,612	14,530	2,918	80	3,501	83
June 30, 1994	9,491	12,079	2,588	79	3,246	80
June 30, 1993	7,714	10,260	2,546	75	3,203	80

Actuarial Value of Assets is the value of cash, investments and other property belonging to the pension plan used by the actuary for the purpose of valuation. The funding value of assets, which is used to derive the actuarial value of assets, recognizes assumed investment income fully each year. Differences between actual and assumed investment income are phased in over a closed four year period. During periods when investment performance exceeds the assumed rate, funding value of assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, funding value of assets will tend to be greater than market value. If assumed rates are exactly realized for three consecutive years, funding value will become equal to market value. For the valuation of assets, market value is used for fiscal year ended June 30, 1996 through 1998 and amortized cost is used for fiscal years ending June 30, 1993 through 1995.

Actuarial Accrued Liability is the portion of actuarial present value of total projected benefits which is not provided for by the future normal costs. Future normal costs is defined as that portion of the actuarial present value of total projected benefits which is allocated to a valuation year by the actuarial cost method.

Unfunded Actuarial Accrued Liability is the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

Source of information for this schedule were actuarial assumptions and audit reports. Expressing the actuarial value of assets as a percentage of actuarial accrued liability provides one indication of funding status on a going-concern basis. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll aids analysis of the progress made in accumulating sufficient assets to pay benefits when due.

STATE OF NEW MEXICO

ANALYSIS OF FUNDING PROGRESS

SCHEDULE 34

THE VOLUNTEER RETIREMENT SYSTEM

For The Last Six Years Ending June 30, 1998

(Amount in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL) --Entry Age	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 1998	\$ 16,248	\$ 14,897	\$ -	109%	N/A	N/A
June 30, 1997	12,894	13,905	1,011	93	N/A	N/A
June 30, 1996	10,555	12,737	2,182	83	N/A	N/A
June 30, 1995	10,494	10,523	29	100	N/A	N/A
June 30, 1994*	-	-	-	-	N/A	N/A
June 30, 1993	7,234	8,182	948	88	N/A	N/A

* Actuarial Valuation not prepared for this year.

Actuarial Value of Assets is the value of cash, investments and other property belonging to the pension plan used by the actuary for the purpose of valuation. The funding value of assets, which is used to derive the actuarial value of assets, recognizes assumed investment income fully each year. Differences between actual and assumed investment income are phased in over a closed four year period. During periods when investment performance exceeds the assumed rate, funding value of assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, funding value of assets will tend to be greater than market value. If assumed rates are exactly realized for three consecutive years, funding value will become equal to market value. For the valuation of assets, market value is used for fiscal year ended June 30, 1996 through 1998 and amortized cost is used for fiscal years ending June 30, 1993 through 1995.

Actuarial Accrued Liability is the portion of actuarial present value of total projected benefits which is not provided for by the future normal costs. Future normal costs is defined as that portion of the actuarial present value of total projected benefits which is allocated to a valuation year by the actuarial cost method.

Unfunded Actuarial Accrued Liability is the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

Source of information for this schedule were actuarial assumptions and audit reports. Expressing the actuarial value of assets as a percentage of actuarial accrued liability provides one indication of funding status on a going-concern basis.

STATE OF NEW MEXICO

REVENUES AND EXPENSES BY TYPE

SCHEDULE 35

THE EDUCATIONAL RETIREMENT SYSTEM

For The Last Eight Years Ending June 30, 1998

(Amount in Thousands)

Fiscal Year Ended June 30	REVENUES BY SOURCE				Total
	Member Contributions	Employer Contributions	Investment Income	Other Income	
1998	\$ 122,499	\$ 136,191	\$ 199,961	\$ 4,283	\$ 462,934
1997	115,616	130,033	220,812	2,219	468,680
1996	112,350	126,594	294,029	2,279	535,252
1995	108,414	121,251	239,058	1,917	470,640
1994	101,562	112,665	249,820	1,681	465,728
1993	95,649	92,736	234,287	1,546	424,218
1992	95,663	89,854	239,516	1,300	426,333
1991	88,451	85,190	206,359	1,017	381,017

Fiscal Year Ended June 30	EXPENSES BY TYPE				Total
	Benefit Payments	Administrative Expenses	Refunds to Terminated Employees	Other Expenses	
1998	\$ 254,407	\$ 2,489	\$ 28,246	\$ -	\$ 285,142
1997	231,602	2,377	24,683	-	258,662
1996	210,621	2,369	22,969	-	235,959
1995	193,074	2,077	22,266	-	217,417
1994	175,336	1,756	19,768	-	196,860
1993	159,056	1,679	18,125	-	178,860
1992	142,623	1,562	18,714	3,074 *	165,973
1991	121,198	1,496	18,762	3,074 *	144,530

* Return to the State General Fund for cost of living adjustments appropriated in 1991.

STATE OF NEW MEXICO

REVENUES AND EXPENSES BY TYPE

SCHEDULE 36

THE PUBLIC EMPLOYEES RETIREMENT SYSTEM

For The Last Eight Years Ending June 30, 1998

(Amount in Thousands)

REVENUES BY SOURCE

Fiscal Year Ended June 30	Member Contributions	Employer Contributions	Investment Income	Other Income	Total
1998	\$ 113,693	\$ 165,249	\$ 908,326	\$ 4,143	\$ 1,191,411
1997	109,624	162,496	873,646	9,150	1,154,916
1996	105,256	158,086	742,082	3,493	1,008,917
1995	92,577	136,944	175,571	3,636	408,728
1994	81,385	125,241	184,100	4,120	394,846
1993	71,814	117,425	248,728	3,095	441,062
1992	67,488	111,128	194,576	2,266	375,458
1991	62,780	102,529	142,688	2,368	310,365

EXPENSES BY TYPE

Fiscal Year Ended June 30	Benefit Payments	Administrative Expenses	Refunds to Terminated Employees	Other Expenses	Total
1998	\$ 212,130	\$ 12,913	\$ 25,000	\$ -	\$ 250,043
1997	182,217	12,611	21,487	-	216,315
1996	161,927	11,082	19,317	-	192,326
1995	148,407	9,333	17,463	-	175,203
1994	133,160	7,440	12,223	162	152,985
1993	120,159	6,230	14,911	-	141,300
1992	107,736	6,021	14,016	-	127,773
1991	97,661	5,278	13,936	-	116,875

STATE OF NEW MEXICO

REVENUES AND EXPENSES BY TYPE

SCHEDULE 37

THE JUDICIAL RETIREMENT SYSTEM

For The Last Eight Years Ending June 30, 1998

(Amount in Thousands)

REVENUES BY SOURCE

Fiscal Year Ended June 30	Member Contributions	Employer Contributions	Investment Income	Other Income	Total
1998	\$ 346	\$ 2,043	\$ 1,978	\$ -	\$ 4,367
1997	310	2,286	6,827	242	9,665
1996	301	1,919	4,370	5	6,595
1995	276	1,882	1,649	59	3,866
1994	263	1,725	1,599	36	3,623
1993	252	1,736	1,634	7	3,629
1992	172	1,329	1,666	15	3,182
1991	169	1,364	1,526	-	3,059

EXPENSES BY TYPE

Fiscal Year Ended June 30	Benefit Payments	Administrative Expenses	Refunds to Terminated Employees	Other Expenses	Total
1998	\$ 2,794	\$ 13	\$ -	\$ -	\$ 2,807
1997	2,461	12	-	-	2,473
1996	2,173	14	38	-	2,225
1995	1,962	16	2	-	1,980
1994	1,726	14	-	-	1,740
1993	1,693	12	3	-	1,708
1992	1,704	7	-	-	1,711
1991	1,528	9	-	-	1,537

STATE OF NEW MEXICO

REVENUES AND EXPENSES BY TYPE

SCHEDULE 38

THE MAGISTRATE RETIREMENT SYSTEM

For The Last Eight Years Ending June 30, 1998

(Amount in Thousands)

Fiscal Year Ended June 30	REVENUES BY SOURCE				Total
	Member Contributions	Employer Contributions	Investment Income	Other Income	
1998	\$ 164	\$ 1,072	\$ 858	\$ -	\$ 2,094
1997	167	1,086	3,323	-	4,576
1996	164	1,219	2,027	-	3,410
1995	174	1,176	592	-	1,942
1994	159	1,065	518	-	1,742
1993	154	842	498	-	1,494
1992	-	613	470	-	1,083
1991	-	602	382	-	984

Fiscal Year Ended June 30	EXPENSES BY TYPE				Total
	Benefit Payments	Administrative Expenses	Refunds to Terminated Employees	Other Expenses	
1998	\$ 712	\$ 8	\$ 24	\$ -	\$ 744
1997	654	7	-	-	661
1996	551	10	-	-	561
1995	392	14	19	-	425
1994	228	12	-	-	240
1993	152	14	1	-	167
1992	78	9	-	-	87
1991	50	9	-	-	59

STATE OF NEW MEXICO

REVENUES AND EXPENSES BY TYPE

SCHEDULE 39

THE VOLUNTEER RETIREMENT SYSTEM

For The Last Eight Years Ending June 30, 1998

Amount in Thousands)

REVENUES BY SOURCE

Fiscal Year Ended June 30	Member Contributions	Employer Contributions	Investment Income	Other Income	Total
1998	\$ -	\$ 1,000	\$ 744	\$ -	\$ 1,744
1997	-	750	2,793	-	3,543
1996	-	500	1,720	-	2,220
1995	-	500	549	-	1,049
1994	-	500	490	-	990
1993	-	500	480	-	980
1992	-	500	454	-	954
1991	-	500	383	-	883

EXPENSES BY TYPE

Fiscal Year Ended June 30	Benefit Payments	Administrative Expenses	Refunds to Terminated Employees	Other Expenses	Total
1998	\$ 147	\$ 2	\$ -	\$ -	\$ 149
1997	119	1	-	-	120
1996	79	6	-	-	85
1995	50	8	-	-	58
1994	43	8	-	-	51
1993	33	8	-	-	41
1992	18	10	-	-	28
1991	8	2	-	-	10